Advertising Age

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50 YEARS 1930-1980

$1 a Copy; $40 a Year · The International Newspaper of Marketing • In Two Sections. Section 1. · October 27, 1980

Semimoist dog food in a can

Purina tries Maverick

By RICHARD KREISMAN

CHICAGO—Ralston Purina Co., in an unusual move, has introduced Maverick, a new semimoist dog food packaged in a large can, into controlled store tests in Erie and Peoria.

Positioned next to canned dog foods on retail shelves, Maverick is formulated to resemble cooked ground meat. Package copy claims Maverick is a "dog food with a difference . . . actually made with real, cooked ground meat." The company earlier air-tested a commercial for the brand (AA, June 30). The product includes meat byproducts and higher-than-average water content levels for a semimoist.

Industry observers speculate that the company has not yet decided whether to position the product as a semimoist or a canned dog food. This speculation derives from a relatively low level of ad support, and from its shelf position.

Media support from MCA Advertising, New York, features two different spots said to be supported at about 100 gross rating points a week. One depicts a bassett hound coming home and declaring he has a "good family and a good meal with cooked ground meat taste." The other shows two women in a kitchen. One asks the other why she is mixing up ground beef for her dog when she can feed it Maverick.

The move into the semimoist category has left the St. Louis company's competitors baffled. The segment, which reached its peak in the early 1970s, has steadily lost market share in the past five years.

■ In 1979, semimoist dog food sales hit $325,000,000, representing an unadjusted 1.6% sales increase, according to John C. Maxwell Jr., a Lehman Bros. Kuhn Loeb analyst. In real terms, however, the category—led by General Foods' Gainesburgers and Top Choice—has declined. Much of the shift has

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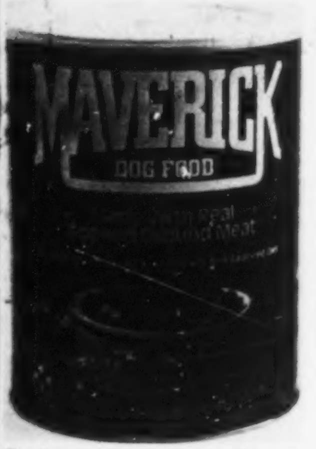

Package copy notes: "Convenience of bagged dog food along with many advantages of canned . . . no need to refrigerate."

Ford at MPA

Former President Gerald Ford, a featured speaker at the Magazine Publishers Assn. meeting in Palm Springs, Cal., shares some views on the upcoming election with Ed Thompson of *Reader's Digest* and David Bunn, an MPA consultant.

MPA forecast: Partly sunny

By CHRISTY MARSHALL

PALM SPRINGS, CAL.—Under blue and balmy California skies, magazine publishers predicted mild to sunny weather ahead for the industry in the coming year.

Assembled here for the Magazine Publishers Assn./American Society of Magazine Editors annual meeting, publishers expressed cautious optimism for the fourth quarter and the coming year.

"In a year of economic downturn, the magazine industry has fared far better than most publishers thought it would," said MPA president Kent Rhodes. "The PIB [Publishers Information Bureau] figures for the first three quarters show advertising revenues of over $2 billion, up 11% over 1979—a record. Advertising pages are up 2%, and the magazines continue to come on stream at a good rate.

"As to the immediate economic outlook, it's anyone's guess, but on the whole it would seem magazines expect to sell as many units—copies and pages of advertising—in 1981 as in 1980," Mr. Rhodes added.

■ With increased ad rates taking effect for many publishers, ad revenues are generally expected to be considerably greater than in 1980.

"Certainly, in 1981, the industry will take in more money—and spend more—than ever before," Mr. Rhodes continued. "The question, as always, is how much we'll be able to keep in the bottom line."

In terms of units sold—with the exception of one doubting Thomas—publishers expressed optimism ranging from cautious to unbridled. At *New York*, marketing director Steve Walden said the fourth quarter will be up 18%, and publisher Cathy Black estimated the magazine would be up 5% in the first six months of 1981—an admittedly conservative prediction. She declined to make book on the year as a whole.

More MPA news on Page 10.

Jay Burzon, ad director at *Woman's Day*, said the magazine would be even to slightly up for the fourth quarter; but for 1981, Mr. Burzon foresees a "great recovery" starting in the third quarter and going "gangbusters" into the fourth.

From Hearst Corp., magazine division president Gil Maurer said that the fourth quarter for the Hearst Group (a stable of 10 magazines including *Good Housekeeping, Cosmopolitan, Town & Country, Harper's Bazaar* and *House Beautiful*) will be equal or ahead of last year, and ad pages will be up in 1981. Noting that Sears has come back into magazine advertising—"in a more modest fashion"—Mr. Maurer added it was good to see that name on order forms again.

■ *Ms.* magazine will be up 7% in the fourth quarter and, according to publisher Pat Carbine, "it would be nice if we could maintain that 7% to 10% increase in 1981."

One magazine publisher who is

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In-flight movie ads

Airlines trying new tactic to defray costs

By JENNIFER PENDLETON

LOS ANGELES—Eastern Airlines is set to begin the first use of paid advertising during in-flight movies, as the nation's airlines start taking a close look at airborne ads as a way to cut back on escalating costs.

Starting in January, tv commercials for Hertz Corp. will run before the in-flight movie on some Eastern flights. The Miami-based airline also has tentative agreements with American Express Co., Airbus Industrie and Lanier Office Products for similar in-flight ads starting in 1981. Ad rate is $11.75 per minute per movie flight.

Other carriers—like American Airlines and several international airlines—are already using a more subtle approach. American has started using an eight to 10-minute informational film entitled "World on Parade," which contains soft-sell commercial messages from the Chrysler Corp. and New York-based Citibank. Japan Air Lines, SAS, Philippine Airlines and British Airways also are reported using similar soft-sell films.

The pros and cons of ads on airlines will be the key question under consideration at the first meeting of the Airline Entertainment Assn. in Phoenix starting Oct. 27. Participating in the in-flight entertainment industry group meeting are Eisaman, Johns & Laws' president Joe Eisaman and reps from most major airlines. Coca-Cola Co. is among the national advertisers attending the conference.

In an industry hard hit by rising jet fuel costs and air fare price slashing, in-flight entertainment has been a "very unprofitable" part of airline operations, one source said. Industry sources say that the cost of an in-flight film varies from $50,000 to $75,000 per plane—a cost not covered by the usual $2.50 charge for head sets.

But some airlines are hesitant to start using paid ads for fear of passenger resentment, and there also is uncertainty on the extent to which paid ads would actually cut costs.

A spokesman for United Airlines said the subject has been discussed, but "no conclusions have been reached yet on whether it would be right for us."

Both Eastern and American

(Continued on Page 128)

Kopp: Burnett sticks to plan—Page 3

last minute news

WRG loses Citicorp, Schoenfeld accounts

NEW YORK—Citicorp and Wells, Rich, Greene have "mutually agreed" to part. The $10,000,000 account, which includes the New York Banking division, Citibank (N.Y. state), Citibank Trust (London) and Citicorp Homeowners, a mortgage subsidiary, probably will go to Doyle Dane Bernbach, which picked up the Citicorp travelers checks account early this year, or SSC&B, which handles other Citicorp business. *(See related story on Page 128.)* Separately, Schoenfeld Industries, Seattle, split from WRG, Los Angeles, on its $8,000,000-plus Brittania and El Paso jeans account, and is in contract talks with an unidentified Seattle agency.

Northwest Airlines conducting review

MINNEAPOLIS—Northwest Airlines will hear late November or early December pitches from C&W, Grey, K&E, all New York, and incumbent Campbell-Mithun here, for its $10,000,000 domestic business, at C-M for 25 years.

Wendy's $13 million account goes to DFS

DUBLIN, O.—Wendy's International has chosen DFS, New York, for its national advertising account estimated at $13,000,000. The chain also has held initial discussions with Bozell & Jacobs, Clinton E. Frank Inc., Chicago, and Stockton-West-Burkhart, Cincinnati, about setting up a regional agency network.

Maxwell House freeze-dried rolling out

WHITE PLAINS—General Foods is rolling out Maxwell House freeze-dried coffee. It will join stablemate Maxim freeze-dried in competing

(Continued on Page 8)

Southwest founder reassembles team

Muse is flying again

By TOM BAYER

DALLAS—The team that 10 years ago helped create Southwest Airlines and its highly competitive marketing strategy is forming a new Texas-based national short-haul commuter airline, Muse Air Corp., and has assigned the company's $1,500,000-plus ad budget to Keller Crescent Co., becoming that agency's first Southwest client.

M. Lamar Muse, chairman of Muse Air Corp. and former president of Southwest Airlines, filed his certificate authority application with the Civil Aeronautics Board Monday for low-fare, high-frequency service to 24 cities as far south as Brownsville and as far north as Pittsburgh.

Mr. Muse is chief executive officer of the new company while his son, Michael L. Muse, is president, treasurer and chief operating officer. The company is temporarily headquartered in Dallas, but will be basing itself in Houston.

Mr. Muse and his son are already working on their marketing strategy with Ray Trapp, president of Keller Crescent/Southwest, and formerly account supervisor at The Bloom Agency, where he headed the account team that handled Southwest Airlines for the airline's first eight years. (Bloom still handles that account.)

Muse Air Corp. also has selected another veteran of the early Southwest Airlines days, Mantz & Associates, which will develop a coordinated graphics program.

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NBC phases rollout

By COLBY COATES

NEW YORK—NBC's multiphased rollout of its new prime time tv schedule, concern about flagrant abuses of the opening prime time or family hour and informal betting on the outcome of the November ratings sweeps were the hot topics in the agency-tv fraternity last week.

In a nutshell, NBC will bring out its half-hour programs in November, air a bevy of new variety and long-form programs from late November through December and then round out the schedule with the addition of seven freshmen and returning programs in January. "Harper Valley," "Sanford" and "Boomer," shows that held down slots in NBC's first pre-strike schedule announced months ago, will remain in production and be added to the lineup later when openings become available.

The new programs coming on, above and beyond new entries such as "Hill Street Blues" and "Flamingo Road," include "Gangster Chronicles," "Walking Tall," "Fitz and Bones" (starring the Smothers brothers) and "Number 96," the Australian import spin-off.

■ Though some agency execs wondered if NBC would encounter problems in getting some of the January programs sampled, others preferred to think that the extended rollout gives NBC added maneuverability. They also pointed out that most of these late

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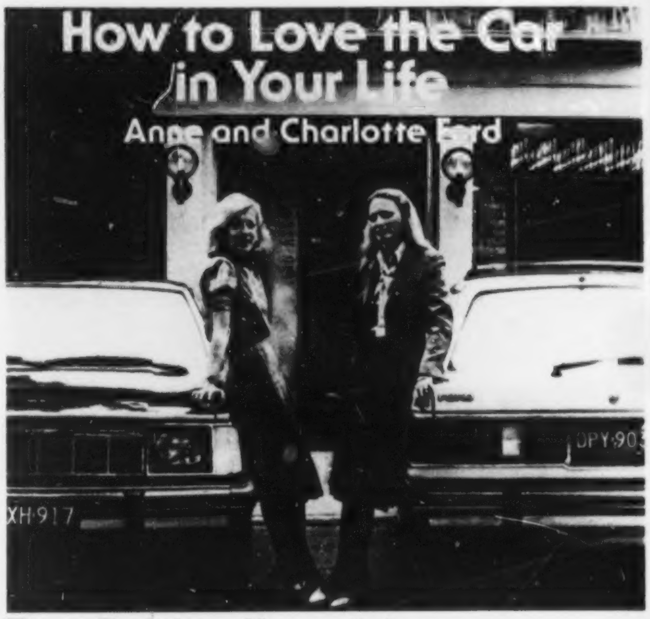

Two Fords offer advice

A book by Ann (left) and Charlotte Ford, daughters of Henry Ford II, former chairman of Ford Motor Co., will be sold through Ford and Lincoln-Mercury dealers as part of the company's sales effort to women. The 60-page, softcover book (cover shown here) offers advice to women drivers, traveling tips and motoring etiquette. In cover photo, Ford says its first booklet aimed at women was published in 1912. "The Woman and the Ford" then said women were using cars to "escape from the artificial conditions and worries of the drawing room or kitchen." The new Ford book ($4.95) was published by Mobius Press, Chicago, under Ford sponsorship.

Morale booster

Sale of trouble-plagued 'Denver Post' comes just in time for some employes

DENVER—Applause from the staff of the *Denver Post* as they were told of the paper's agreement to acquisition by the Times Mirror Co. told the story—that the deal was made just in time to keep morale around the *Post* from slipping to a dangerous low.

"It's no secret the *Post* had been having an increasing number of problems, particularly morale, in the past two or three months. They lost some good people," said a Denver native who has been watching the battle between the afternoon *Post* and Scripps-Howard's a.m. *Rocky Mountain News* shift more and more in the latter's favor.

Earlier this year, the *Rocky Mountain News* passed the *Post* for the first time in weekday circulation, with about 271,000 compared with the *Post's* 260,000. Sources said the *News* also may have pulled a bit ahead of the *Post* in ad linage in the last few months whereas the *Post* had been far and away the leader before the Scripps-Howard paper started its move about five years ago.

One problem that staffers said added to waning enthusiasm around the *Post* was the fact the whole town knew the *Post* was for sale. President-publisher Donald R. Seawell had been openly seeking bids for the paper at a price of around $100,000,000. Denver oilman Marvin Davis reportedly offered an $80,000,000 lump sum plus a hefty outlay for new presses and the start of a morning edition in a deal, but he later backed out.

Los Angeles-based Times Mirror reached agreement to buy the *Post* for about $95,000,000—$25,000,000 cash and $70,000,000 over the next 20 years. Phillip Williams, TM vp-newspapers and tv, said it was too early to say whether the *Post* will be pitted head to head with the morning competitor. But it was noted that the *Post* already has moved in that direction, switching to a.m. publication on Saturdays two years ago. The *Post* leads the *Rocky Mountain News* by a substantial margin Sundays—351,149 circulation to 293,004.

Mr. Williams said the fact that Denver appears headed into a major growth period because of surrounding energy resources "wasn't the overriding reason" TM decided to make the acquisition. "Denver has lots of things going for it already. We see it as similar to our other markets like Dallas."

When final, the purchase will put a fifth daily into the Times Mirror's newspaper stable. It owns the *Los Angeles Times*, *Newsday*, the *Dallas Times-Herald* and the *Hartford Courant*. All are on a continual upgrading program and nobody expects TM to remain idle with the *Post*.

There was concern expressed about possible upcoming union contract problems, but the *Post's* competitive situation was seen by some sources as not so gloomy as has been painted elsewhere.

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highlights

Monday, October 27, 1980

Tv network critics Westinghouse Broadcasting and the Motion Picture Assn. of America see their complaints to the Federal Communications Commission swamped by a staff report's call for less regulation of network affairs. *See Page 6*.

Continental Baking aims to avoid further confrontations with governmental agencies in dropping ads for Wonder bread. *See Page 12*.

J. R. Ewing's Private Stock boomed last week as Pearl Brewing Co. got orders for 500,000 cases of the new beer in its first two days. *See Page 14*.

Texas Instruments has taken abuse long enough because of a lack of marketing savvy—that's why it decided to take a new stand via McCann-Erickson Worldwide. *See Page 24*.

Ford's first repair information advertising, ordered by the Federal Trade Commission, will run early next year. *See Page 2[illegible]*.

Rubinstein management confirms several moves that are expected to help get the company back on its feet. *See Page 36*.

TV syndicators—holding sales of hot new off-network series until next spring—think "new generation" dramas will sizzle. *See Page 54*.

Advertising for domestic cars has to take a turn for the better after 1980's "valley of despair." *See Page 56*.

United Airlines will start service from Chicago to Phoenix and Tucson in mid-December. Competitors American and Trans World Airlines expect a showdown over the profitable routes. *See Page 58*.

Earle C. Williams looks at area development advertising and how one advertiser, the Fairfax County, Va., Economic Development Authority, set up a program to measure its success at area development advertising. *See Page 69*.

Some promotions have impact, some don't. Ed Meyer looks at ways to put teeth into lackluster promos. *See Page 74*.

Dow Jones believes its beleaguered *Book Digest* will be in the black by 1983. *See Page 76*.

An "emergency assignment" played a key part in N W Ayer's winning the creative portion of Deere & Co.'s worldwide account. *See Page 78*.

The newly launched Mini Metro may be the last hope for Britain's troubled, state-owned auto maker, BL Ltd. *See Page 80*.

Multinational advertisers can save a pile of promotion dollars if their campaigns roll out concurrently in the U.S. and Canada, one adman says. *See Page 82*.

National Football League Players Assn. can serve as a central source for companies that want players for advertising, appearances and licensed merchandise. *See Page 94*.

Gillette Co. will reintroduce its Daisy disposable razor for women, with a new price, design and packaging. *See Page 119*.

The *Wall Street Journal* is considering sending its new magazine, currently in the planning stages, to its 1,525,000 subscribers. *See Page 126*.

Playboy Enterprises didn't expect any damage in the wake of a citizen-sponsored media protest against *Playboy* and its "sex exploitation" philosophy. *See Page 130*.

Section 2

Top media execs forecast the year ahead for media; AA looks inside a major agency's media department; who owns the media? These stories and more are explored in this week's Section 2/-Media Outlook, beginning opposite Page 68.

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Vol. 51, No. 46—ADVERTISING AGE (ISSN 0001-8899) is published weekly, except semiweekly the third week in March, the second week in September at 740 Rush Street, Chicago, IL 60611. Second-class postage paid at Chicago and additional mailing addresses.

'Times' in U.K. may shut down

By EUGENE BACOT

LONDON—The British advertising community began preparing for the possible demise of *The Times* and *The Sunday Times* of London following the announcement last week by Thomson British Holdings Ltd., the owners, that the long fight to keep the two newspapers afloat was over. Lord Thomson, citing years of labor problems, put the papers up for sale by March to the highest bidder. If no buyers are found, the papers will close.

Advertisers are taking the announcement of *The Times'* closures calmly. "We have already had a dummy run of this when both papers shut down in 1978," said Chris Horsley, Ted Bates' London media director. Some admen are even finding a source of ironic delight in *The Times'* long running poster campaign, which depicts great historical disasters from the assassination of Julius Caesar to the Charge of the Light Brigade. The copy line which runs

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Top 20 ciigaret brands hiked ads 15.8% in '79

By SAM HARPER

NEW YORK—The nation's six leading cigaret marketers last year invested $554,335,600 to advertise the 20 best-selling brands on the U.S. market. The combined 1979 expenditure total was 15.8% above the companies' $478,332,300 outlay in 1978.

The top 20 brands accounted for 91.3% (558.84 billion units) of the 612.04 billion cigarets sold in the U.S. last year, according to sales data compiled by John C. Maxwell Jr. of Lehman Bros. Kuhn Loeb Research.

The growth of the low-tar market and the proliferation of low-tar brands continued to dominate the marketing focus of leading cigaret manufacturers. Most of the industry's top marketers either introduced new low-tar products or positioned existing brands against competitive low-tar smokes in 1979.

The low-tar segment which now accounts for more than half of the brands in the U.S. market, includes all cigarets under 15mgs tar. The ultralow-tar segment which industry analysts estimate will peak at about 6% of the total market, includes all cigarets with 5mgs tar and under.

Philip Morris' Merit and RJR's Vantage brands continued to dominate the low-tar market. Merit scored a coup in 1979 by edging Vantage out of its position as the nation's leading low-tar brand. PM's determination to make Merit the nation's best-selling low-tar smoke is illustrated by the Merit ad budget, which was 1979's second largest. The October, 1979, national rollout of Vantage Ultra Lights made the RJR brand the fifth most heavily advertised brand.

American Brands' ultralow-tar Carlton cigarets continued to soar in 1979, jumping almost 50% in to-

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Costs of cigaret advertising: 1979-1973

Per carton and per million cigarets sold

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The top 20 cigaret brands based on 1979 sales, related to the amount invested for each brand in general magazines, newspapers (including Sunday sections), network tv, spot tv, network radio, spot radio and outdoor. The figures are not offered as complete records of expenditures; tobacco companies spend large sums for point of purchase materials and in other nonmeasured media. Sales figures for this study were taken from the 1979 Maxwell Report. Advertising expenditures were compiled from figures supplied by Broadcast Advertisers Reports; Institute of Outdoor Advertising; Leading National Advertisers; Radio Advertising Bureau; Radio Expenditure Reports, and Television Bureau of Advertising. Newspaper expenditures for the years 1975-79 were supplied by sources in the tobacco industry; newspaper totals for the years previous to 1975 were compiled from figures supplied by the Newspaper Advertising Bureau (compiled by Media Records).

	1979	1978	1977	1976	1975	1974	1973
Marlboro (Philip Morris)[1,2,3,4]							
Sales (billions)	103.85	101.25	96.9	94.2	91.3	86.1	78.8
Ad Investment	$47,870,000	$43,681,500	$41,690,000	$31,558,100	$22,093,000	$25,622,046	$20,968,982
Ad cost per million	$461.00	$431.42	$430.23	$335.01	$241.98	$297.44	$266.03
Ad cost per carton	9.2¢	8.6¢	8.6¢	6.7¢	4.8¢	5.9¢	5.3¢
Winston (Reynolds)[1,2,3,4]							
Sales (billions)	81.9	84.7	88.1	90.1	91.5	90.1	87.9
Ad Investment	$58,229,000	$41,912,000	$44,290,900	$30,646,800	$31,733,000	$32,874,523	$22,131,689
Ad cost per million	$711.00	$494.82	$502.62	$340.14	$346.80	$364.54	$251.78
Ad cost per carton	14.2¢	9.8¢	10¢	6.8¢	6.9¢	7.3¢	5¢
Kool (Brown & Williamson)[2,3,5]							
Sales (billions)	56.5	59.0	59.3	60.7	61.8	60.8	56.1
Ad Investment	$29,030,000	$37,313,900	$28,857,200	$23,064,400	$20,064,100	$17,093,560	$15,915,007
Ad cost per million	$513.80	$632.43	$486.38	$379.94	$324.18	$281.05	$283.64
Ad cost per carton	10.3¢	12.6¢	9.7¢	7.5¢	6.4¢	5.6¢	5.7¢
Salem (Reynolds)[2,4]							
Sales (billions)	54.02	54.4	53.7	52.6	50.5	50.8	49.0
Ad Investment	$48,195,000	$43,948,900	$33,919,500	$24,749,700	$23,778,500	$21,704,195	$20,114,633
Ad cost per million	$892.59	$807.88	$631.64	$470.52	$470.86	$426.82	$410.50
Ad cost per carton	17.8¢	16.1¢	12.6¢	9.4¢	9.4¢	8.5¢	8.2¢
Pall Mall (American Tobacco)[1,4,5]							
Sales (billions)	34.35	37.3	40.2	43.2	49.9	51.6	52.5
Ad Investment	$8,297,200	$9,542,200	$10,668,600	$12,411,500	$10,379,700	$9,551,971	$6,224,501
Ad cost per million	$241.28	$255.82	$264.79	$265.20	$208.01	$185.04	$118.61
Ad cost per carton	4.8¢	5.1¢	5.2¢	5.3¢	4.1¢	3.7¢	2.4¢
Benson & Hedges (Philip Morris)[1,3,4]							
Sales (billions)	27.9	27.6	26.1	26.2	26.2	25.2	20.8
Ad Investment	$26,775,000	$29,993,800	$27,990,600	$14,110,700	$14,804,600	$18,336,538	$16,127,011
Ad cost per million	$959.67	$1,086.73	$1,069.97	$538.57	$565.06	$727.64	$776.08
Ad cost per carton	19.2¢	21.7¢	21.3¢	10.7¢	11.3¢	14.5¢	15.5¢
Camel (Reynolds)[1,5]							
Sales (billions)	26.2	26.4	24.3	26.0	27.4	28.9	29.9
Ad Investment	$40,680,000	$36,008,600	$6,601,000	$6,643,000	$9,946,500	$11,208,661	$6,667,037
Ad cost per million	$1,553.43	$1,363.96	$270.64	$255.50	$363.01	$386.77	$222.97
Ad cost per carton	31¢	27.2¢	5.4¢	5.1¢	7.2¢	7.7¢	4.5¢
Merit (Philip Morris)[1,2,3,4]							
Sales (billions)	22.7	16.9	14.2	8.5	—	—	—
Ad Investment	$48,570,000	$44,149,000	$42,698,600	$44,597,000	—	—	—
Ad cost per million	$2,139.64	$2,612.36	$2,990.09	$5,246.70	—	—	—
Ad cost per carton	42.8¢	52.2¢	59.8¢	$1.05	—	—	—
Vantage (Reynolds)[1,2,3,4]							
Sales (billions)	20.75	18.5	17.3	14.3	12.2	9.6	7.3
Ad Investment	$46,173,000	$30,786,300	$34,887,300	$20,069,700	$15,480,100	$10,121,232	$8,128,622
Ad cost per million	$2,225.06	$1,664.12	$2,010.79	$1,403.47	$1,268.86	$1,055.39	$1,113.50
Ad cost per carton	44.5¢	33.2¢	40.2¢	28¢	25.3¢	21.1¢	22.3¢
Kent (P. Lorillard)[1,3,4]							
Sales (billions)	19.15	15.9	30.1	27.8	26.9	29.0	29.9
Ad Investment	$39,260,000	$12,726,400	$29,114,800	$22,724,000	$16,678,900	$15,056,823	$15,629,561
Ad cost per million	$2,050.13	$795.40	$967.26	$817.41	$620.03	$517.59	$522.38
Ad cost per carton	41¢	15.9¢	19.3¢	16.3¢	12.4¢	10.3¢	10.4¢
Carlton (American Brands)[1,2,3,4]							
Sales (billions)	15.06	10.1	7.9	7.3	5.0	2.9	2.4
Ad Investment	$33,450,000	$23,847,100	$22,477,100	$21,433,700	$10,161,600	$3,647,000	$2,088,000
Ad cost per million	$2,221.15	$2,361.15	$2,834.43	$2,936.12	$2,032.20	$1,257.58	$1,098.94
Ad cost per carton	44.4¢	47.2¢	56.6¢	58.7¢	40.6¢	25.1¢	21.9¢
'Golden Lights (P. Lorillard)[1,2,3,4]							
Sales (billions)	13.2	14.7	—	—	—	—	—
Ad Investment	$27,636,200	$26,101,200	—	—	—	—	—
Ad cost per million	$2,093.63	$1,775.59	—	—	—	—	—
Ad cost per carton	42¢	35.5¢	—	—	—	—	—
Tareyton (American Tobacco)[1,2,3,5]							
Sales (billions)	12.5	13.4	14.9	16.5	18.2	18.9	19.3
Ad Investment	$11,508,000	$14,477,900	$14,749,700	$7,263,500	$8,902,900	$10,914,698	$5,155,306
Ad cost per million	$920.64	$1,080.44	$985.28	$440.21	$489.17	$575.97	$266.70
Ad cost per carton	18.4¢	21.6¢	19.7¢	8.8¢	9.7¢	11.5¢	5.3¢

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BEST AVAILABLE COPY

Costs of cigaret advertising: 1979-1973

Per carton and per million cigarets sold

(Continued from Page 49)

	1979	1978	1977	1976	1975	1974	1973
Viceroy (Brown & Williamson)[1,3]							
Sales (billions)	11.75	11.9	12.8	14.2	15.9	17.5	18.5
Ad Investment	$17,885,000	$10,313,400	$9,117,700	$5,622,000	$10,012,400	$13,119,464	$9,166,193
Ad cost per million	$1,515.67	$866.67	$708.99	$395.91	$629.71	$750.11	$495.74
Ad cost per carton	30.3¢	17.3¢	14.1¢	7.9¢	12.5¢	15¢	9.9¢
True (P. Lorillard)[1,2,3,4]							
Sales (billions)	11.65	11.5	10.8	8.9	9.3	8.9	8.8
Ad Investment	$30,367,000	$16,086,000	$10,675,300	$12,140,800	$7,322,800	$8,249,496	$6,965,228
Ad cost per million	$2,606.60	$1,392.72	$980.28	$1,364.13	$787.39	$922.76	$787.11
Ad cost per carton	52.1¢	27.8¢	19.6¢	27.2¢	15.7¢	18.4¢	15.7¢
Raleigh (Brown & Williamson)[1,3,5]							
Sales (billions)	11.35	12.4	12.4	12.9	14.1	15.4	16.4
Ad Investment	$5,300,000	$11,901,000	$9,332,100	$6,065,300	$5,601,500	$10,166,600	$7,695,799
Ad cost per million	$464.91	$959.75	$748.96	$470.17	$397.26	$660.16	$470.40
Ad cost per carton	9.2¢	19.2¢	14.9¢	9.4¢	7.9¢	13.2¢	9.4¢
Virginia Slims (Philip Morris)[3,4]							
Sales (billions)	10.75	9.7	9.5	9.0	8.7	8.1	7.2
Ad Investment	$13,100,600	$10,189,200	$8,508,500	$7,264,300	$6,482,300	$7,633,103	$6,865,204
Ad cost per million	$1,212.96	$1,050.43	$893.38	$807.14	$745.09	$936.58	$950.85
Ad cost per carton	24.2¢	21.0¢	17.8¢	16.1¢	14.9¢	18.7¢	19¢
•Newport (P. Lorillard)[2,4]							
Sales (billions)	9.85	8.6	7.3	6.2	5.8	5.2	4.6
Ad Investment	$10,064,000	$10,224,300	$6,530,800	$5,452,200	$5,980,600	$5,119,900	$3,625,500
Ad cost per million	$1,016.56	$1,188.87	$894.63	$879.38	$1,031.13	$984.59	$788.15
Ad cost per carton	20.3¢	23.7¢	17.8¢	17.5¢	20.6¢	19.6¢	15.7¢
Parliament							
Sales (billions)	7.71	8.3	8.4	8.9	9.69	9.9	9.7
Ad Investment	$4,058,000	$5,495,200	$10,555,700	$4,189,000	$4,484,400	$6,496,177	$5,455,876
Ad cost per million	$526.58	$626.50	$1,250.67	$470.67	$467.64	$654.20	$563.28
Ad cost per carton	10.5¢	12.5¢	25¢	9.4¢	9.3¢	13¢	11.2¢
L&M (Liggett & Myers)[1,3,4]							
Sales (billions)	7.70	8.7	9.2	9.7	11.1	12.2	13.2
Ad Investment	$7,887,600	$13,382,600	$9,750,700	$7,544,800	$8,620,200	$7,698,953	$4,537,870
Ad cost per million	$1,025.97	$1,529.44	$1,059.85	$777.81	$776.59	$631.06	$345.09
Ad cost per carton	20.5¢	30.6¢	21.1¢	15.4¢	15.5¢	12.6¢	6.9¢

[1] Plain standard filter; [2] menthol filter; [3] plain 100mm filter; [4] menthol 100mm filter; [5] nonfilter; #revised; •does not include newspaper advertising investments; [6] marketed as Kent Golden Lights until 1978.

Cigarets

(Continued from Page 49)

tal unit sales. The 18-year-old brand jumped from 19th in 1977 to 11th in 1979 among the top 20 brands. Philip Morris' Cambridge cigaret, the recent introduction of Brown & Williamson Tobacco Co.'s Barclay brand and increased advertising expenditures by RJR for its Now brand currently are cutting into Carlton's growth rate in that segment.

Last year saw the beginning of what this year became a major marketing battle between Cambridge, Carlton and Now.

Now's market share jumped to 0.8% this year from below 0.5% last year. Cambridge has yet to make a significant impact on the market, posting a 0.3% to 0.4% market share, according to sources. Meanwhile, industry analysts are waiting to see how new Barclay fares in the competitive segment.

Though it has three entries in the ultralow-tar segment, Loews Corp.'s Lorillard division has remained out of the heated "lowest" battle. Its Kent III (3mgs tar), Triumph (3mgs) and True (5mgs) brands all have been positioned as products with taste and low tar.

At an advertising cost per carton of 52.1 cents, True was the least efficient brand among the top 20. Its $30,367,000 1979 ad budget was up 47% from a 1978 budget of $16,086,000.

In the menthol market, RJR and Lorillard last year tested Brookwood and Aspen, respectively. Both low-tar units failed and were discontinued. B&W also discontinued Arctic Lights this year.

Lorillard in 1980 has been quiet on the new product front. However, sources indicate that the company is working on an ultra-low-tar product code-named EF II, which may mean extra flavor at 2mgs tar.

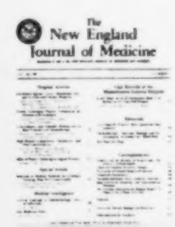
Despite having the largest advertising budget among the top 20 brands last year, RJR's Winston continued to decline in unit sales in 1979. Unit sales dropped from 84.7 billion units in 1978 to 81.9 billion units last year. Its 1979 ad budget of $58,229,000 was up from $41,912,000 in 1978.

PM's Marlboro brand, Winston's closest U.S. rival and the best-selling cigaret in the world, continued to grow. In 1979, Marlboro posted a 2.5% increase in unit sales, jumping from 101.25 billion units in '78 to 103.85 billion units. Marlboro's advertising budget rose 9.5% to $47,870,000 in 1979.

Reynolds' market share in 1979 continued to dwindle, but it remained the world's largest cigaret manufacturer with a 32.6% market share in 1979.

PM's Parliament returned to the top 20 after a year off the list. Parliament's ascent is due to the poor showing of L&M, B&W's Belair and American Brands' Lucky Strike, all of which slipped more significantly than Parliament.

American Brands' Pall Mall was the most efficient brand for the third consecutive year at 4.8 cents advertising cost per carton. #



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BIG, SPRAWLING AND POWERFUL

Concentration of media ownership: To some it's a plus, to others it's a danger.

BY B. G. YOVOVICH

CHICAGO—There may be disagreement on how the concentration of ownership will affect the public and the advertising communities, but there is no argument that the concentration has risen sharply in the last decade, with the top 15 or so major media corporations garnering a rapidly growing portion.

Consider the following:

- The Gannett Co. owned 27 newspapers when it became a publicly held corporation in 1967. Today it owns more than 83 dailies as well as seven television stations and 12 radio stations (with an agreement to buy a 13th). In 1979 alone, the company jumped 63 places on the Fortune 500 revenues listing.
- The Times Mirror Corp. owned four dailies in 1970, added three more to its holdings (including *Newsday* and the *Hartford Courant*) and purchased *Golf*, *Ski* and *Sporting News* magazines. It is in the process of acquiring five television stations to give it a total of seven—the maximum allowed by the Federal Communications Commission.
- Knight Newspapers acquired the Ridder chain of papers (to become Knight-Ridder) and now owns 34 dailies with a total daily circulation of 3,700,000 and Sunday of 4,500,000. It added four television stations to its holdings when it purchased Poole Broadcasting in 1978.
- Capital Cities Communication, owner of virtually no newspapers in 1970, now owns six with a total daily circulation of 1,000,000 and 1,400,000 on Sundays. It also claims ownership of *Women's Wear Daily*, the Fairchild Publications group and its specialized newspapers and magazines, as well as broadcast holdings that include six television stations, seven am stations and six fm stations.
- While legal inhibitions kept ABC and CBS from purchasing newspapers, the two networks were busy with acquisitions during the 1970s. CBS, for example, put together a group of 10 consumer publications, including the recent purchase of *Family Weekly*, a Sunday supplement appearing in more than 350 suburban papers with a total circulation of more than 12,000,000. Meanwhile, ABC acquired *Los Angeles* magazine in 1977, the magazines of Hitchcock Publishing in 1978 and Chilton Co.'s publications in 1979 to broaden its print holdings.

If preliminary indications are correct, look for the major media conglomerates to expand into the emerging outlets of cable, data transmission and videodiscs. Times-Mirror, Capital Cities, Newhouse, the New York Times Co. and Time Inc. all have put together significant cable system holdings in the last year or two. Hearst, the Washington Post Co., Gannett and Knight-Ridder have either formed cable divisions or are very actively considering acquisitions of cable networks.

Even the three television networks, while prohibited from owning cable hardware, are preparing to establish separate divisions to supply "software" programing for cable and videodiscs.

According to some observers, the emergence of the media conglomerates is desirable—perhaps even necessary—for the development of new media, such as cable, that have voracious appetites for capital.

"The large corporations have the resources to support the cable operations so the new media can develop and not operate on a shoestring," says Michael Drexler, senior vp and executive director of media and programing at Doyle Dane Bernbach. "There is always a danger when conglomerates control [a large part of the media], but we're really talking about a pretty competitive environment."

"The capital intensive nature of cable may cause a relatively high concentration of ownership," concedes Harvard researcher Benjamin Compaine, author of the comprehensive monograph, "Who Owns the Media?"

"But I'm not too concerned about it. The concentration will not be that great, and even in the small cities advertisers and the public will actually have more media options than are now available," he said.

Another school of thought, however, claims the concentration is already hurting the public and the advertising community and will become an even more serious problem in the future.

"The increased concentration in ownership means there is greater resistance to the invisible hand of competition," says University of California professor Ben Bagdikian. "Television, newspapers and cable, for example, should be competing industries. They should be working against one another, fighting for the same advertising dollar and applying different types of pressures to the government. But, with the big newspapers owning broadcasting and cable properties, that kind of combat does not occur."

Other industry observers expressed fear that the concentration of ownership will stifle diversity of editorial opinion as the newly formed conglomerates mature and exert tighter controls over its properties.

Not surprisingly, a number of governmental units—including the FCC, the Federal Trade Commission and several congressional committees—are looking into concentration of ownership issues.

"The [federal] concern is beginning to heat up because cable is getting warmer," explains Chris Sperling of the FCC. "There are five or six warm spots, but the concern hasn't been sharply focused yet."

The growth of the media corporations during the 1970s is due to several economic forces. The large newspaper and newspaper chain activities, for example, were triggered when papers began to reap the benefits of cost-cutting computerized typesetting and other technological advances introduced during the 1960s and early 1970s.

As the papers became more profitable and enjoyed improved cash flows, new ways were sought to turn this bounty into further corporate growth. The acquisitions began when it became apparent that purchasing other newspapers was a safer and more promising strategy than one calling for an increase in the circulation of papers they already held.

Also, the larger papers and chains were in a better position financially to introduce the more efficient technology into new acquisitions. As a result, the corporations made the papers more profitable than they had been under owners with limited resources.

At the same time that smaller papers became more attractive acquisition prospects, the tax structure encouraged the sale of many of the smaller, family owned newspapers and local chains.

As a result, the surge of acquisitions in the 1970s pushed the daily circulation of the top 20 publishing groups to more than 30,000,000, representing more than half the total weekday circulation and an even greater percentage of Sunday circulation of all daily newspapers in the U.S.

- Figures compiled by *Editor & Publisher* also show that the 167 group newspaper owners in 1978 accounted for 1,095 of the 1,764 dailies in the U.S. and 72.2% of the total daily circulation.

By comparison, 157 groups owned 879 dailies with 63% of the daily circulation in 1970, and 20 groups owned about 150 of the 2,000 dailies published in 1920, accounting for about 40% of the total daily circulation.

During the '70s, the most attractive candidates for acquisition were papers in the middle size markets with no newspaper competition and in fast-growing communities. As these publications were bought up, the chains went after papers in smaller towns—some even pursued shoppers.

As the supply of prime newspaper properties diminished, most of

B. G. Yovovich is a Chicago-based free lance writer who contributes frequently to Section 2.

Top 12 media conglomerates (by revenues)

Company	Dailies	Magazines	Tv	Am	Fm	Cable subscribers	Other	Ad-related revenues in millions
ABC Inc.	—	125	5	6	7	—	207 tv affiliates, 1,729 radio affiliates	$1,984
CBS Inc.	—	10	5	7	7	—	Formed cable division, 200 tv affiliates, 387 radio affiliates	$1,981
RCA Corp.	—	—	5	4	4	—	213 tv affiliates, 292 radio affiliates	$1,377
Newhouse Newspapers	29	17	—	2	3	320,000	—	$1,200†
Gannett Co.	81	12	7	6	7	—	22 nondaily papers	$1,049
Hearst Corp.	13	20	4*	4	3	—	Formed cable division for programing and networks	$1,000†
Times Mirror Co.	7	8	7	—	—	550,000	16 foreign publications, 7 licensed foreign publications	$980
Times Inc.	1	7	1	—	—	1,200,000	HBO-5,000,000 subscribers, 30 nondailies	$979
Tribune Co.	8	3	3	4	2	37,000	Shopper and nondaily circulation over 750,000	$964
Knight-Ridder Newspapers	34	—	5*	—	—	—	12 nondailies	$943
New York Times Co.	10	5	3	1	1	55,000	6 weeklies	$601
Washington Post	3	2	4	—	—	—	—	$593

* One station still subject to FCC approval

† Privately held corporation—AD AGE estimate

St. Louis advertiser

(Continued from Page S-25)

come. One reason is the belief that the competition between banks and savings & loan institutions will heat up next year as new regulations allow s&ls to offer check-type services and regulated interest rate differentials between banks and s&ls continue to be phased out.

"Looking down the road, competition will be stiffer because the two types of financial institutions will be competing with each other more directly," Mr. Webber said.

Banking has always been a heavily regulated industry, and for years the rules didn't change much. Now they're changing fast enough to give many bankers a case of future shock. "And with less stability in the prime rate, the whole industry is churning, all of which will make it even more important to be advertising," said Mr. Webber.

- Although nearly 90% of First National's business is commercial, an almost equal number of marketing dollars are spent on retail and nonretail. The feeling in commercial banking circles has been that general advertising doesn't matter much, that it's really the calling officer who makes the greatest impression, said Ms. Pritchard, the bank's ad rep.

That, however, may be changing, she added, because commercial bankers are beginning to appreciate what a good ad program can do.

- For example, First National's Energy Group, which specializes in financing for oil and energy companies, was promoted in several trade magazines in recent months with an ad headlined, "We talk crude."

"It was a good line and it generated so much comment that the commercial people funded an extended media schedule," said Ms. Pritchard. "I would expect to see additional money going to advertising the commercial side in the future."

Another element of the bank's marketing strategy consists of premiums, which were introduced—reluctantly—a few years ago. They'll probably continue to be used in the future, said Ms. Pritchard, unless they are prohibited, a move under consideration by a regulatory agency.

"It's an extra people look for," she said. "We almost have to offer premiums because customers can get them elsewhere."

First National has given away calculators, $5 bills, cameras, even big-ticket items such as grandfather clocks.

Not all the premiums have been overwhelmingly successful, but the current one seems to be extremely popular. The bank is now advertising handcrafted commemorative brass belt buckles with five designs depicting scenes of Missouri heritage.

Tv is being used for this promotion, said Ms. Pritchard, only because the belt buckles couldn't be as effectively showcased any other way.

The main office of First National Bank is not near residential areas, so one of its marketing challenges is to get the people who work downtown to come into the bank, said Mr. Webber, and premiums are one way to get them in the door.

Often people who bank elsewhere come in and buy a certificate of deposit just to get a premium. To Ms. Pritchard, "That's just fine with us." #

> *The bank is now advertising buckles depicting scenes of Missouri heritage.*

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grocery bags would go in the rear. Chevy followed that intro up with a Nationwide Chevy Celebration of special option packages for the rest of the line.

Oldsmobile continued the name Omega on its X-body which became "The Oldsmobile of small cars." Olds faced a problem. Its dealers and customers never really took to the old Omega. So the new campaign was designed to wrap the "Oldsmobile heritage" around the new car. Again, Olds needn't have worried. Buyers were snapping up every Omega they could. The only problem Olds and other GM divisions had was that the buyers were those who formerly bought the big cars. Only an estimated 10% of the buyers were import car converts.

Pontiac also had image problems. It was carrying over the Phoenix nameplate but its brand awareness was low. "We have to educate people all over again," a Pontiac ad exec said. The gas problems made the public fast learners.

Buick was careful to bring down styling cues from its larger models to the Skylark. True to its upscale position, Buick featured the four-door Skylark Limited, the top of the line, with the expectation it would be the top-seller as well. It was. Buick also talked a lot about traction with fwd.

By early summer, GM's big cars were spinning their sales wheels. Car marketers started playing mpg bingo again—numbers and comparisons started to dominate advertising.

Chevrolet, Oldsmobile and Cadillac even started naming the opposition in comparison mpg ads. Only the imports were singled out, however. Chevrolet also bolstered intermediate models like Malibu and Monte Carlo. Olds just listed the number under the headline, "Want more miles per tankful? These imports aren't the answer." Cadillac was billed as "The long-distance runner." Buick chipped in with "At Buick, the full-size car is alive and doing very well."

The full-size cars were also the only heavily revised models going into model 1980. Streamlining, weight reduction and other tricks boosted mpg a bit on the biggies. GM wasn't worried about being the target of an auto workers' strike—rightfully so, it turned out. The contract was signed without major incident.

Chevrolet touted its full-size Impala-Caprice with "We made it right for the '80s." The idea wasn't so much to lure new buyers to the Chevrolets but to reassure repeat prospects that it was okay to buy big, an adman said. Citation, the success story, became "A whole new kind of compact car" without visible change. Its spring introduction was as a 1980 model. Camaro, the sporty one, became "The Hugger," and Malibu emphasized product features.

Buick scrapped slogans, themes, ideas of "halo" cars and a reliance on tv specials. The main thrust was fuel economy. A four-page magazine spread said modestly, "Buick proudly announces some very fine cars and very good thinking."

Gone were ideas like "Life is to enjoy" and "A little science, a little magic." The Buick Hawk symbol remained. Again, the big push was on the big LeSabre and Electra. Actor Glenn Ford disappeared as spokesman as Buick concentrated on "real people in real life situations." Buick used one magazine page just to list all of its engines. The subcompact Skyhawk was "a lot of fun and a lot of function." But it vanished after the intro splash along with the Oldsmobile Starfire. GM diverted production of those two cars to the Pontiac Sunbird and Chevy Monza.

Oldsmobile keyed its message to "traditional" values with the intermediate Cutlass again the wheelhorse. "Our American family car is in great shape," the ads read.

Pontiac climbed on the mpg bandwagon first among GM divisions and it continued with that message. "More Pontiac excitement to the gallon" was the pitch and the new full-size Bonneville ad comment was a simple, "It'll go far." Strategy remained "punching through the clutter" with a heavy October splash. Sunbird hit mpg with "Over 440 miles of fun on a fill-up."

- Cadillac aimed its appeal at "facts not elegance." Like Chevrolet, it wanted to justify Cadillac ownership. A diesel became standard for the first time in a U.S. car. It went into the fwd Seville. Cadillac was a "An American standard for the world" as it went against high-price foreign competition and Seville was "A new American standard for the world."

GMC Truck & Coach went after the hard-core truck buyer—not those who bought them for personal use. The preceding year's emphasis on image via prime time tv was shelved for more radio and print. The comedy team of Bob and Ray did commercials for diesel engines with lines about "diesel phones and diesel toothbrushes."

The first 10-day sales report of model '80 told the story. Sales of domestic cars fell more than 6%. GM stuck by the big cars and Cadillac actually set a sales record. A month later, GM had launched dealer incentives—indirect rebates—to move 1979 models so dealers could sell the new ones. It was "GM's sales to end all sales."

December brought some marketing soul-searching. Buick and Olds advanced some programs for year-end to the whole month. Chevrolet bowed out of National Basketball Assn. telecasts on CBS. Isuzu Motors of Japan which had supplied Buick with Opels started thinking about selling its cars in the U.S. itself. Buick dropped the Opel back in June. Cadillac planned a new campaign with more hard sell like "In our 78-year history there has never been a Cadillac more right for the time."

- In the midst of all this, a book was published giving an insider's view of GM. By ex-GM official John Z. DeLorean, "On a Clear Day You Can See General Motors" said Chevrolet wasn't the agency plum it was painted. That brought a sharp denial from GM ad agency Campbell-Ewald.

By January, Chevrolet started hitting its small cars hard. Pontiac broke a new mpg campaign—"Pontiac takes on the imports." Pontiac said it really wasn't after the import buyers but simply was trying to show present Pontiac owners that they didn't have to switch to imports. Price comparisons were cranked into the ads as well. "Chevy's got it. Come and get it" spotlighted its small Chevette and Monza with Camaro thrown in. Only Chevette was showing a sales gain from the year before.

GM went to rebates in February for the first time since 1974-75. The "Treasure Hunt" offered $500 directly to consumers who bought 1979 big Chevrolets, Pontiacs, Oldsmobiles or Buicks. It was aimed at a big backlog of Chevrolets. The Buick, Oldsmobile, Pontiac divisions didn't back the corporate effort but Chevy jumped in with heavy network tv and radio.

A month later GM was pushing V-6 engines and the cars that were in the most demand. Buick and Oldsmobile jumped in with special spring promotions on option packages.

Chevrolet followed up with an expanded "Chevy's got it" campaign that talked again about the big cars and the diesel versions available. Cadillac used the Masters golf tournament for some long tv commercials talking about the success of Seville against the foreign competition.

GM's electric vehicle which had been coming along nicely for its mid-1980s introduction also got some hot competition. Gulf + Western Industries announced what it called a "major breakthrough" in battery technology that seemingly out-performed the GM vehicle. GM promptly ordered the battery system and started testing it.

Things went better for GM of Canada which had record car and truck sales for the seventh straight year. The new high was 1,396,000 units topping 1,000,000 for the first time. GM sold 470,200 cars and 173,400 trucks, both records.

Overseas sales set a record for the fourth year with 1,900,000 units—1,517,000 cars and 355,000 trucks. However, European sales dropped 3% led by an 8% decrease in Germany for Adam Opel and a 9% fall in the United Kingdom (Vauxhall Motors.) Strikes were the reason in the UK but the U.S. bugaboo—fuel prices—were the culprit in Germany. Sales in Australia and New Zealand remained strong. The total of 246,000 units was a 14% increase over 1978.

- GM bought Chrysler Corp.'s plant in Venezuela and 77% of Chrysler's operation in Colombia.

The Power Products group reported record sales. Detroit Diesel Allison had sales of 148,000 diesel engines, up 4% and unit sales at Electro-Motive division rose 21% on a strong demand for locomotives, components and high horsepower diesels. Dollar sales at TEREX for earth-moving and road-building equipment increased slightly in a softening market.

GM sold its Frigidaire appliance business to White Consolidated Industries and said it would use the Frigidaire plant at Dayton, O., for small trucks and diesel engines.

Lawsuits were filed against GM charging its 200 series automatic transmission was of lower quality than the unit it replaced and wasn't suitable for use in full-size cars. GM denied the charge.

GM's financial and insurance operations through General Motors Acceptance Corp. earned $224,100,000, down 2% from 1978's record $229,600,000.

ADVERTISING EXPENDITURES*

	1979
Newspapers	$69,870,600
Magazines	67,551,000
Farm pubications	2,249,400
Spot tv	28,310,600
Network tv	117,590,700
Spot radio	24,858,700
Network radio	8,517,100
Outdoor	4,447,800
Total measured	323,395,900

*Estimated by AA

MARKETING PERSONNEL

R. D. Burger-vp, mktg
Gail Smith, genl director, adv & merch section
D. J. Teasdale, mgr adv
J. W. Finney, asst adv mgr, media
D. K. Murley, asst adv mgr
D. P. Bolen, asst adv mgr
Margaret Hudzik, adv traffic coordinator

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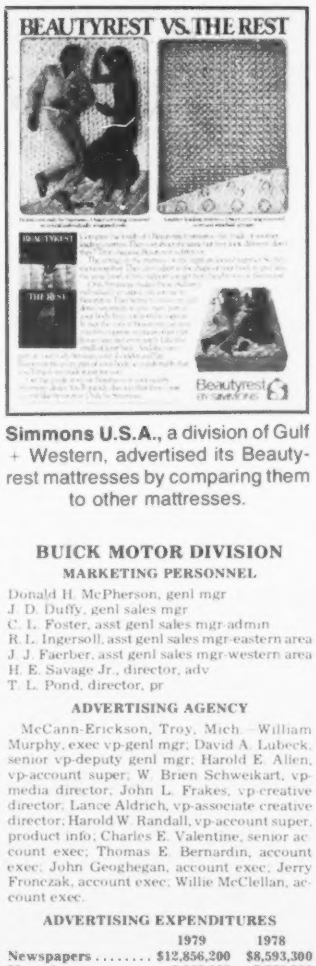
N W Ayer ABH International, Detroit—Louis Hagopian, chairman & ceo; Robert Kingsbury, genl mgr-Detroit; Richard Prince, vp-account super; Robert Morrison, account exec; Thomas Needels, account exec; Jerry Siano, exec vp-director creative services; Earl Shorris, senior vp-group creative director; Reese Behrendt, vp-creative director; Thomas Wehner, copy super; Marguerita Breen, art super; Barbara Ruland, tv producer; Arthur Kimmel, copywriter; Raphael Badagliacca, copywriter; Elaine Eaves McCormick, copywriter; Bruce Wilmoth, art director; Susan Andreasen, art director; Randall Schroeder, vp-media director-Detroit; Bruce Small, media super; Richard Welsh, vp-director of network programing.



Simmons U.S.A., a division of Gulf + Western, advertised its Beautyrest mattresses by comparing them to other mattresses.

BUICK MOTOR DIVISION

MARKETING PERSONNEL

Donald H. McPherson, genl mgr
J. D. Duffy, genl sales mgr
C. L. Foster, asst genl sales mgr-admin
R. L. Ingersoll, asst genl sales mgr-eastern area
J. J. Faerber, asst genl sales mgr-western area
H. E. Savage Jr., director, adv
T. L. Pond, director, pr

ADVERTISING AGENCY

McCann-Erickson, Troy, Mich.—William Murphy, exec vp-genl mgr; David A. Lubeck, senior vp-deputy genl mgr; Harold E. Allen, vp-account super; W. Brien Schweikart, vp-media director; John L. Frakes, vp-creative director; Lance Aldrich, vp-associate creative director; Harold W. Randall, vp-account super, product info; Charles E. Valentine, senior account exec; Thomas E. Bernardin, account exec; John Geoghegan, account exec; Jerry Fronczak, account exec; Willie McClellan, account exec.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$12,856,200	$8,593,300
Magazines	9,149,100	7,920,900
Spot tv	3,305,800	5,498,300
Network tv	20,538,000	19,668,500
Spot radio	944,600	768,000
Network radio	1,121,200	1,200,800
Outdoor	435,200	602,600
Total	48,350,100	44,252,400

RETAIL SALES (U.S. IN UNITS)

	1979	1978
Electra	88,195	121,705
Riviera	51,402	25,753
LeSabre	129,554	190,414
Century	311,589	323,356
Skylark	115,000	97,915
Skyhawk	18,768	22,221
Opel	13,815	19,222
Total	728,323	800,586

CADILLAC MOTOR CAR DIVISION

MARKETING PERSONNEL

Edward C. Kennard, genl mgr
L. B. Pryor, genl sales magr
W. R. Lewellen, asst genl sales mgr-service
C. Chynoweth, asst genl sales mgr-east
Robert W. Starr, asst genl sales mgr-west
William M. Donohoe, exec asst to genl sales mgr
R. G. Chumbley, director, merch
F. R. Cadicamo, asst director, merch
P. H. Montgomery, director, pr

ADVERTISING AGENCY

D'Arcy-MacManus & Masius, Bloomfield Hills, Mich.—Ernest A. Jones, chairman, exec committee; Wendell D. Moore, chairman-Bloomfield Hills; James T. Doyle, exec vp; G. A. Scott, vp-creative director; R. C. Spaulding, vp-media director; Robert C. Reed, vp-Cadillac account super; A. L. McClain, director, pr.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$4,968,800	$3,315,900
Magazines	4,948,200	4,663,700
Spot tv	4,452,100	930,100
Network tv	1,911,600	4,753,300
Spot radio	348,000	285,500
Network radio	1,406,500	260,200
Total	18,035,200	14,208,700

RETAIL SALES (U.S. IN UNITS)

	1979	1978
Cadillac	206,164	248,825
Eldorado	62,553	46,267
Seville	45,317	55,721
Total	314,034	350,813

CHEVROLET MOTOR DIVISION

MARKETING PERSONNEL

R. D. Lund, genl mgr
R. E. Cook, genl sales mgr
A. T. Olson, asst genl sales mgr-staff
J. C. Perkins, sales mgr, trucks
E. P. Feeley Jr., director-mktg
C. O. Uren, director, adv
T. R. Chick, mgr, passenger car adv
H. J. Cordes, mgr-truck & wagon adv
J. J. Williams, director, pr

ADVERTISING AGENCY

Campbell-Ewald Co., Warren, Mich.—T. B. Adams, chairman & ceo; P. L. John, president; J. I. Bernardin, exec vp-director of creative services; W. J. Tausch, exec vp, Chevrolet account director; W. R. O'Neil, senior vp-associate account director, T. R. Boyd, senior vp-mgmt super, adv & merch, trucks; F. A. Malsom, senior vp-exec director, creative services, cars & trucks; C. F. McLaughlin, senior vp-mgmt super, car merch; R. W. Mitchell, senior vp-mgmt super, small car; W. S. Schindler, senior vp-director, pr; A. J. Hopp, senior vp-associate mgmt super-big car; M.F. West, senior vp-associate mgmt super-adv & merch trucks; L. F. Farrell, vp-account super-car merch; F. Fraser, vp-director automotive mktg; W. R. Kennedy, director, car product info; R. G. Smith, mgr of adv research.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$27,179,700	$18,131,600
Magazines	27,562,500	22,725,800
Farm publications	516,500	1,316,400
Spot tv	7,418,000	5,607,500
Network tv	61,269,100	47,178,400
Spot radio	19,862,100	16,139,000
Network radio	1,646,500	512,600
Outdoor	2,909,200	4,439,800
Total	148,363,600	116,051,100

RETAIL SALES (U.S. IN UNITS)

	1979	1978
Chevrolet	449,001	621,140
Corvette	38,631	42,247
Monte Carlo	265,877	355,058
Malibu	344,233	374,124
Camaro	204,742	260,201
Citation/Nova	308,437	248,214
Sportvan	30,630	43,582
Monza	141,564	158,127
Chevette	375,724	247,088
Total	2,158,839	2,349,781
Total trucks	1,104,616	1,340,259
Total division	3,263,455	3,690,040

OLDSMOBILE DIVISION

MARKETING PERSONNEL

R.J. Cook, genl mgr
J.F. Mattox, genl sales mgr
W.W. Lane, asst genl sales mgr-western
D.L. Neisch, asst genl sales mgr in charge of mktg & dealer activities
J.W. Hill, asst genl sales mgr-eastern
R.H. Ogden, admin asst to genl sales mgr
L.C. Myers, mkt analysis mgr
F.W. Bennetts, director, pr

ADVERTISING AGENCY

Leo Burnett Co. of Michigan, Southfield, Mich.—John C. Ryan, exec vp-mgmt director; James Oates, vp-account super; Joe Henry, vp-media director; Roger Bailey, associate super; Robert Smith, account exec; Lawrence Doyle, account exec.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$13,205,500	$8,826,800
Magazines	10,752,300	8,919,600
Spot tv	4,568,300	4,560,300
Network tv	12,027,700	10,129,300
Spot radio	1,441,800	1,175,000
Network radio	619,100	302,000
Outdoor	98,800	177,400
Total	42,713,500	34,090,400

RETAIL SALES (U.S. IN UNITS)

	1979	1978
Cutlass	518,160	520,279
Omega	50,098	42,860
Starfire	18,611	18,351
Olds 98	92,075	123,431
Toronado	46,845	28,039
Olds 88	223,699	273,384
Total division	949,488	1,006,344

PONTIAC MOTOR DIVISION

MARKETING PERSONNEL

R.C. Stempel, genl mgr
G.G. Spaulding, genl sales mgr
C.E. Chambliss, asst genl sales mgr, admin
R.E. Benson, asst genl sales mgr, service sales admin
W.H. Ross, sales mgr, central area
S.A. Hoostal, sales mgr-midwest area
J.W. Johnston, sales mgr-eastern area
J.G. Bagshaw, sales mgr-western area
J.H. Graham, director, merch
T.J. Maloney, adv mgr
G.L. Schmid, sales promotion mgr
S.T. Richards, director, pr

ADVERTISING AGENCY

D'Arcy-MacManus & Masius, Bloomfield Hills, Mich.—Ernest A. Jones, chairman, worldwide exec committee; Charles F. Adams, director, H.G. Bay Jr., president-Bloomfield Hills; Ronald M. Fallis, vp-account super; George Acree, vp-account super; Richard W. Halladay, account exec; Pat Aulgur, account exec; Pat Brown, account mgr; Ron W. Monchak, senior vp-creative director; Al McClain, director, pr; Robert Brownell, vp-director of production & traffic; Lucien DiSalvo, senior vp-director media, mktg & research; Leo A. Hillebrand, vp-GM media coordinator; Robert C. Spaulding, vp-media director; William K. Rankin, account exec, product info; Larry Wroblewski, account exec, product info, styling, engineering; Arthur Morat, vp & group creative super; Art Harrington, vp-director of sales promotion; Danny Freels, copywriter; John Greening, vp, mkt research director; Terry Livermore, account exec, David Carnegie, art director.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$10,271,000	$6,837,300
Magazines	10,102,600	6,082,700
Spot tv	8,277,900	6,735,100
Network tv	16,500,300	12,603,500
Spot radio	1,068,900	870,000
Network radio	74,200	216,700
Outdoor	70,000	199,200
Total	46,364,900	33,544,500

RETAIL SALES (U.S. IN UNITS)

	1979	1978
Pontiac	171,301	209,536
Grand Prix	175,573	224,195
LeMans	114,993	125,020
Firebird	149,211	188,212
Phoenix	80,[illegible]	58,280

	1979	1978
Pontiac	171,301	209,536
Grand Prix	175,573	224,195
LeMans	114,993	125,320
Firebird	149,211	188,212
Phoenix	80,857	58,280
Sunbird	89,107	91,737
Total division	781,042	896,980

GMC TRUCK & COACH DIVISION

MARKETING PERSONNEL

Robert W. Truxell, genl mgr
James E. Conlan, genl sales mgr
Edward R. Stokel, director, public transportation
Melvin A. Pullin, coach sales mgr
Richard F. Lucas, asst genl sales mgr, trucks
Carl E. Rehm, asst genl sales mgr, merch
James E. Wenzel, adv mgr, trucks
Frank E. Cronin, director, pr

ADVERTISING AGENCY

McCann-Erickson, Troy, Mich.—William A. Murphy, exec vp-genl mgr; Harry W. Grusche, senior vp-mgmt super; John L. Frakes, senior vp-creative director; W. Brien Schweikart, vp-media director; Edmund H. Sale, vp-account super; Allan J. Steinmetz, director, mktg services; George T. Skirtich, account exec; Stephen G. Eick, account exec.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$279,500	$180,800
Magazines	1,717,800	2,004,200
Farm publications	416,100	300,000
Spot tv	46,000	84,000
Network tv	—	892,500
Spot radio	273,400	218,000
Network radio	566,900	223,100
Outdoor	7,400	9,700
Total	3,307,100	3,912,300

RETAIL SALES (U.S. IN UNITS)

	1979	1978
Trucks	1,394,979	1,[illegible]516
Coaches	1,768	1,267
Total	1,396,747	1,692,783

AC-DELCO DIVISION

MARKETING PERSONNEL

W.C. Lee, genl mgr
R.J. Smith, genl sales mgr
J.M. McKenzie, asst genl sales mgr, mktg
D.K. Colliver, director, adv & pr
F.R. Alexander, associate adv mgr

ADVERTISING AGENCY

Campbell-Ewald Co., Warren, Mich.—R.D. O'Connor, vice chairman; P.L. John, president; P.A. Dow, exec vp-director of multi-products accounts; R.E. Britton, senior vp-mgmt super; I.W. Beaton, senior vp-senior account super; R.E. Guerrier, account super; R.L. Greer, senior account exec; M.A. Hudson, senior vp-creative services; R.A. Mancini, vp-media group super; T.J. Glynn, exec vp-director, media; L.A. Monsen, account exec.

DELCO ELECTRONICS

MARKETING PERSONNEL

E.P. Czapor, genl mgr
J.C. Crawford, genl sales mgr
G.R. Flora, adv mgr
W.B. Draper, director, pr

ADVERTISING AGENCY

Campbell-Ewald Co., Warren, Mich.—Richard D. O'Conner, vice chairman of board; Paul L. John, president; Peter A. Dow, exec vp; Robert E. Britton, senior vp-mgmt super; Ross Morgan, vp-account super.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$139,700	$90,000
Magazines	534,200	1,640,300
Spot tv	36,400	23,800
Network tv	5,034,600	4,880,800
Spot radio	894,900	731,000
Network radio	2,018,300	456,300
Outdoor	1,600	17,300
Total	8,659,700	7,839,500

ELECTRO-MOTIVE DIVISION

MARKETING PERSONNEL

Peter K. Hoglund, genl mgr
W.A. Fox, director, sales & services
G.C. Mulick, genl sales mgr, power prodts
R.E. Hill, genl sales mgr, domestic locomotives
F.J. Babel, genl sales mgr, export locomotives
Nancy A. Calvert, director, pr & adv
Stephen E. Steeves, staff asst

ADVERTISING AGENCY

Marsteller Inc., Chicago—Richard Christian, chairman; Milt Lynnes, exec vp-genl mgr; John Roberts, mgmt super; Phil Young, vp.

GENERAL MOTORS ACCEPTANCE CORPORATION

MARKETING PERSONNEL

S.K. Smith, chairman of board of directors
R.F. Murphy, pres
R.R. Nelson, exec vp
C.A. Krauss Jr., director, pr & adv

ADVERTISING AGENCY

Campbell-Ewald Co., New York—Richard D. O'Connor, vice-chairman (Warren); Paul L. John, president (Warren); Thomas L. Glynn, exec vp-media director (Warren); Kenneth A. Thoren, senior vp-creative director; James J. O'Neal, senior vp, dir. mgr.

Gillette Co.

	1979	1978
Sales†	$1,984,722,000	$1,710,471,000
Earnings†	110,618,000	94,564,000
Advertising*	126,960,200	99,000,000

† Worldwide
* U.S. estimated by A.A.

Gillette Co., Boston, the 35th largest national advertiser, increased its advertising by 28% to an estimated $126,960,200 in 1979.

Worldwide sales in 1979 increased to a record $1.98 billion, up 16%, while earnings rose 17% to $110,618,000. Sales for the first half of this year rose 19% to $1.12 billion; net income climbed 14% to $70,335,000. For the second quarter of 1980, sales were up 18% to $570,542,000, while net income rose 10% to $33,683,000.

Colman M. Mockler Jr., Gillette chairman and chief exec attributed the higher first quarter results to improved sales of Gillette North America and sharply higher sales from Gillette International. He also noted that sales of the Braun group were well above first quarter 1978 and operating profits were substantially ahead.

■ Gillette's sales and profits from its four major lines shaped up as follows: Blades and razors, sales 32% and profits 71%; personal care, 25% and 14%; writing instruments, 10% and 8%, and Bruan products, 22% and 12%.

Worldwide advertising and promotion costs in 1979 were up 18% to $282,443,000 from $239,901,000 in 1978. The 1979 total included $189,367,000 for advertising and sampling and $93,076,000 for sales promotion.

With sales and profits advancing to record levels again this year, Gillette's safety razor division continued its dominance of the wet shave market on the strength of Trac II, the nation's largest selling shaving system, and the continued success of the Atra automatic-adjusting twin-blade razor and cartridge. The three-year-old Atra continues to be the best selling razor in the country.

■ During Gillette's annual meeting in April, treasurer Milton Glass said Atra held approximately a 9.6% share of the $425,000,000 U.S. razor market during the first three months of 1980. For the full year 1978, Atra held about an 8% share. Trac II continued performing well and held a 21.6% share of the blade market during the first quarter of 1980.

In addition, Good News! Gillette's twin blade disposable razor has approximately a 10% share of the blade market. Its closest competitor, Bic Pen Corp.'s Bic single blade disposable razor holds about a 4½% share of market. However, since its 1977 introduction the low-price Bic shaver has lost more than $22,000,000.

With the total disposable market now accounting for approximately 24% of the total blade market in unit sales, there have been a number of new entries within recent months. Schick, a subsidiary of Warner-Lambert, introduced its Ultrex twin-blade disposable razor with "one push cleaning," and in April Gillette unveiled Swivel, which incorporates a pivoting head and is patterned after Atra.

In addition, Wilkinson Sword Inc. is currently testing a twin-blade disposable. Also, American Safety Razor will introduce a new women's twin-blade disposable razor called Shower Shaver in October. It will be supported by $3,000,000 in advertising.

■ In the $425,000,000 blade market, Gillette's share continues to be in the area of 60%. Schick has the No. 2 spot with a share in the low 20s. The rest of the market is held by American Safety Razor, Wilkinson Sword, Bic and private labels.

According to Leading National Advertisers, Gillette last year spent $7,477,300 to advertise Atra, $3,857,200 on Trac II and $2,100,700 on Good News! Bic spent $6,441,000 on its disposable razor.

The company's personal care division has continued to make inroads into the $525,000 deodorant/-antiperspirant market. Dry Idea roll-on antiperspirant, introduced two years ago, currently holds a 3% share of the market, while its Right Guard and Soft & Dri hold approximately a 20% share. The division's share is believed to be slightly less than that of Procter & Gamble (Sure and Secret) and just above Bristol-Myers (Ban, Ultra Ban, Ban Basic pump and Tickle roll-on).

Deodorants and antiperspirants are the division's most important products. Gillette last year spent $10,475,200 to advertise Right Guard, $10,491,100 on Dry Idea and $5,411,100 on Soft & Dri.

■ The company's domestic shampoo sales were much below those of 1978, as the market share of the company's Ultra Max and Earth Born brands weakened. International sales, however, posted a sizable increase, with good progress made by both regular and antidandruff shampoos. Also, domestic sales of personal care appliances decreased markedly, as severe competitive price cutting affected hair dryer sales. Curling wand sales rose moderately, supported by the new Body + Curl brand.

In August, the company also introduced Silkience "self-adjusting" shampoo. The shampoo is formulated to clean hair where hair needs it and condition it where it is dry. The product is backed by more than $19,000,000 in promotional spending and $11,000,000 in advertising. Last year, Gillette introduced Silkience self-adjusting hair conditioner backed by a $6,000,000 campaign.

Last summer, the appliance division introduced five new products in an attempt to broaden its product mix. The products, Heat Wrap heating pad and Steam facial, Supermax Styler 1200 and Supermax Pro 1300 and 1400 were supported with a $2,000,000 campaign.

Heat Wrap, along with Body Tender and SuperCurl Easy Roller, introduced in the second half of 1978, marked the division's first entry into the skincare, hairsetter and health care markets.

Gillette's hair dryers and curling irons remained among the leaders in their categories. The Max line continued to be the No. 1 selling hand-held dryer line.

Sales and profits of Gillette's Paper-Mate division set records in 1979. Ball-point pen sales rose substantially in the U.S. where Gillette attained the No. 1 position in dollar share of the retail market. The company attributed the performance to sales of its Eraser Mate pen with erasable ink. On the strength of Eraser Mate sales, the company has also introduced the premium-price Eraser Mate TW 200.

Also, its Write Bros. stick pens registered strong sales growth in both commercial and retail sectors. In addition, porous pens, the largest part of the company's U.S. business, maintained a leading share in the $110,000,000 category, aided by the continued progress of the Quick Silver and Ultra Fine Flair brands.

■ In July, Gillette's Paper-Mate division filed suit against Scripto Inc. charging patent infringement on its erasable ball-point pen. In addition, Gillette alleged that Scripto is guilty of interference with contractual relationships, misappropriation of trade secrets and unfair competition in a market created when Paper-Mate introduced its Eraser Mate pen. Though exact damages have not been specified, Gillette is seeking payment from Scripto of all of the profits received in the sale of its disposable and damages caused by Scripto's marketing and manufacturing action. Scripto has denied all of the allegations.

The company's luxury writing instruments, manufactured and distributed by S.T. DuPont of France, moved sharply ahead last year. The company attributed the increase to ball-point pens featuring a "distinctive" Chinese lacquer design. The line was introduced late in 1978.

■ In September, Gillette purchased the Dallas-based Liquid Paper Corp. for approximately $47,500,000 in cash. Liquid Paper is the leading manufacturer of typewriter correction fluid, which it sells under the Liquid Paper brand. The company also makes typewriter ribbons and recently entered the correctable typewriter ribbon market.

The company is operated as a Gillette subsidiary under the direction of the Paper-Mate division.

Sales of Braun products advanced to record levels for the fifth consecutive year. Electric shavers registered significant sales gains. It also maintained its leadership in the European hand-held dryer market.

In July, the company signed an agreement covering the sale of Jason/Empire optical products and the distribution of the Verte photo battery product line. At the same time Braun said it would no longer be selling photographic products manufactured by Ricoh of America. It would, however, continue to maintain support services for Ricoh. Braun had been a distributor of Ricoh products for 10 years. In addition to Jason/Empire and the Varta line of photographic batteries, Braun represents Agfa-Gevaert consumer photographic products, Gepe slide mounts, Rowi photographic accessories, Stitz support systems, Braun electronic flash and Paterson darkroom equipment.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$ 1,104,700	$ 775,300
Magazines	12,171,800	9,795,800
Spot tv	15,916,100	14,629,500
Network tv	52,746,600	42,634,300
Outdoor	21,000	—
Total measured	81,960,200	67,834,900
Unmeasured	45,000,000	31,165,100
Total	126,960,200	99,000,000

GILLETTE CO.

Advertising Services Division

Thomas T. Ryan, vp, (including Moorgate)
Thomas A. Lux, director, media buying
Allen K. Gibbs, director, media services
Ronald Harding, director, tv production
Howard Fisher, associate mgr, media buying
Robert J. Evans, associate mgr, promo services

SAFETY RAZOR DIVISION

Marketing Personnel

Derek W.F. Coward, vp-marketing
Glenn S. Archibald, director-existing prods
Stephen A. Shapiro, group product mgr, blade/razor systems
Carmen A. Comite, group product mgr, disposable shavers
W. Scott Roberts, vp-sales

ADVERTISING AGENCIES

McCann-Erickson, New York—Atra razors and cartridges—Donald Dillon, senior vp; Thomas Dianis, account director; Pamela Smiley, account exec; Vincent Tortorelli, group media director; George D'Amato and Bob Green, associate creative directors, Barbara Lindberg, associate rsch director.

Batten, Barton, Durstine & Osborn, New York—Daisy, Good News! and Swivel—Bill Badger, mgmt super; Michael Paxton, acct super; Jim Roper, acct exec; Phil Dusenberry, senior vp-creative director; Bob Schlesinger, vp-associate creative director; Harvey Hoffenberg and Susan Proctor, creative supers. Trac II razors and shaving cartridges—Bill Badger, mgmt super; George Pryde, acct super; Rick Grant, acct exec; Phil Dusenberry, senior vp-creative director; Len McCarron exec art director; Dennis Berger, senior vp-associate creative director; Bruce Myers, vp-mktg research, Dan Friedman, creative super.

Marschalk Co., New York—Just Whistle—C. Anthony Wainwright, exec vp; Richard Villante, senior vp-mgmt super; Dennis Zolnierzak, vp-acct super; Richard LeBlond, acct exec; Andrew Langer, exec vp-creative director, Paula Drillman, exec vp

PERSONAL CARE DIVISION

Marketing Personnel

William J. Ryan, vp-mktg.
Robert N. Forman, mktg director, hair care
Peter K. Hoffman, mktg mgr, skincare
John T. Vinton, mktg mgr, deodorants/antiperspirants
Joel Davis and Norm Roberts, group product supers, haircare
John W. Dickman, vp-sales
Hans J. Lopater, vp-mkt rsch

ADVERTISING AGENCIES

Batten, Barton, Durstine & Osborn, New York—Right Guard, Soft & Dri, Dry Look, Dry Idea—Jack Thorne, mgmt super.

Marschalk Co., New York—Earth Born, Tame, Trac II and Foamy shave creams—John Dooner, mgmt super.

Advertising To Women, New York—Toni, Light Waves, Ultra Max shampoo, Silkience conditioner, Silkience shampoo—Diane Rudo, mgmt super; Morris Zand, acct super and Lillian Panettiere, acct super.

N W Ayer ABH, New York—Adorn, White Rain—Al Wolfe, exec vp, Stan Mattison, mgmt super.

APPLIANCE DIVISION

Marketing Personnel

Robert E. Ray, president
Allan L. Williams, vp-sales

ADVERTISING AGENCY

Grey-North, Chicago—Supermax 2, Supermax Curlytop, SuperStyler 1200, Supermax Pro 1300 and 1400, SuperCurl, Body + Curl, SuperCurl compact, Zoom Focus Mirror, Body Tender, Steam Facial, Heat Wrap, Heat Wrap/-Cold Wrap—Ralph Linder, mgmt super.

PAPER-MATE DIVISION

Marketing Personnel

Robin H. Kirkland, vp-mktg
William J. Flynn, senior product mgr-porous pens
David T. Melley, senior product mgr-ball pens

ADVERTISING AGENCIES

McCann-Erickson, New York—Paper-Mate ball point pens, Eraser Mate—Don Dillon, senior vp.

Batten, Barton, Durstine & Osborn, New York—Write Bros., porous point pens, El Marko broad tip markers—William D. Badger, vp.

Marschalk Co., New York—Flair pens.

BRAUN NORTH AMERICA

Marketing Personnel

William Schawbel, president
Norman J. Merwise, director, mktg & sales

ADVERTISING AGENCIES

Humphrey Browning MacDougall, Boston—Gepe slide mounts and film reels, Agfachrome film, Agfa cameras and photographic papers, Braun electronic flash, Rowi accessories, Paterson dark room accessories, Stitz tripods & grips, Varta battery prods—Reed Saunders, acct exec.

Hill, Holliday, Connors, Cosmopoulos, Boston—S.T. DuPont lighters and pens, Braun appliances—William Maddison, acct exec.

JAFRA COSMETICS

Thomas C. Grant, president

Greyhound Corp.

	1979	1978
Sales	$4,708,594,000	$4,358,848,000
Earnings	123,030,000	58,353,000
Advertising*	53,800,000	45,742,500

*AA estimate

Greyhound Corp., Phoenix, the 76th largest national advertiser, increased its advertising 17.6% to an estimated $53,800,000 in 1979.

Sales increased to $4.7 billion, 8% above 1978 sales. Earnings topped $100,000,000 for the first time, hitting $123,030,000.

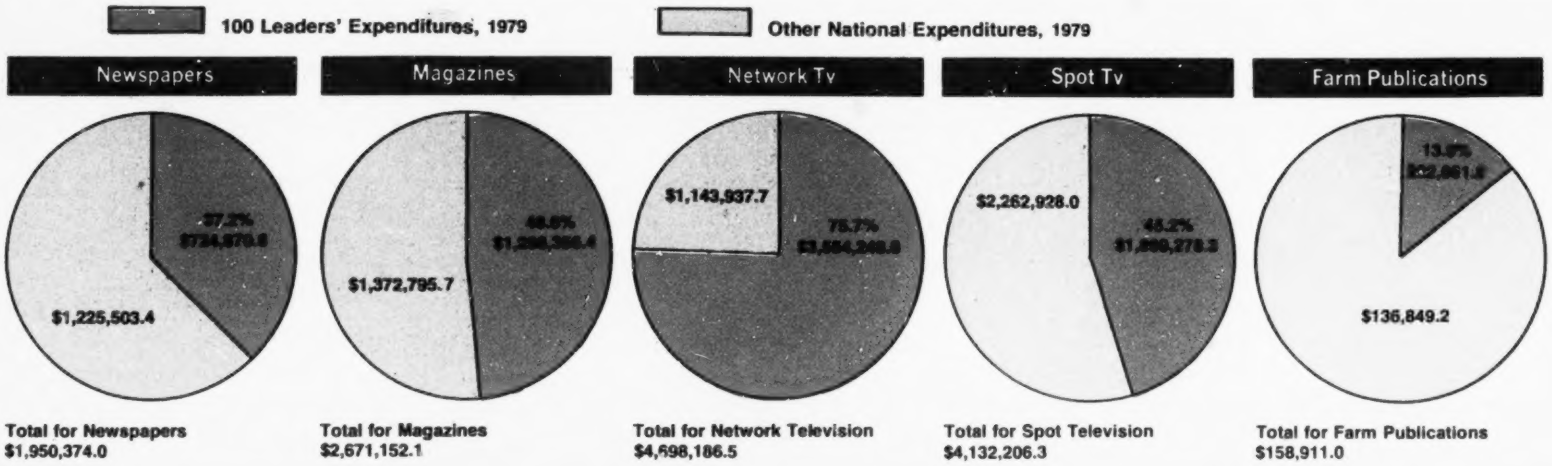
Greyhound has changed considerably since launching its first intercity bus route in 1914, with a 15¢ fare between Hibbing and Alice, Minn. Today it is a conglomerate of many companies and services, including Greyhound Lines—the bus company—and the Armour Group of companies, marketers of meats and other food and consumer products. Transportation contributed 32% and food and consumer products contributed 22% to corporate net income in 1979.

Among the corporation's other activities are food services, financial services, leasing, insurance, convention services and aircraft maintenance services. Greyhound is also the largest manufacturer of intercity buses in North America and in 1979, the corporation entered the growing transit bus market.

Greyhound Corp. spent a measured $1,086,300 in magazines in 1979 for its continuing corporate ad campaign.

Under the leadership of Gerald H. Trautman, chairman and chief executive officer, Greyhound has moved toward balanced diversification, gradually diminishing the impact of any single segment on the bottom line. Beginning with the acquisition of Armour & Co. in 1970, the move has proven to be sound.

100 leading national advertisers account for



MARKETING PROFILES

Effective Feb. 1, Robert K. Swanson was named president and chief operating officer, assuming some responsibilities that had been handled by Mr. Trautman. Mr. Swanson moved to Greyhound from General Mills, where he was most recently exec vp for worldwide accessories, apparel, creative products, specialty retailing and travel groups. Mr. Swanson began his career with General Mills in 1956, serving three years as group product manager for cereals. He then served as a senior vp of Needham, Harper & Steers, Chicago, and, from 1969 to 1971, as chairman and chief executive of Benson Advertising Agency, London, an affiliate of NH&S. He returned to General Mills in 1971.

Mr. Trautman, after taking over as chairman and chief executive of the then-ailing Greyhound Lines in 1978 and overseeing its revitalization and turnaround, relinquished the unit title late in 1979 to Frank L. Nageotte, whom he had named president a year earlier.

Greyhound Lines—which accounts for approximately 57% of all U.S. regularly scheduled intercity bus revenues—worked to renovate its buses and terminals and rebuild employe pride in late 1978 and early 1979, then found itself in excellent shape to handle bus travelers who arrived with the energy shortage that hit in April, 1979. Several months after the lines had disappeared from gas pumps, it was clear that Greyhound had been able to keep business gained during the gas shortage. Beginning in November and continuing this year, tv advertising has featured testimonials delivered by real passengers in different areas of the country. A popular theme, "Go Greyhound and leave the driving to us"—on the shelf in recent years—has been brought back.

Greyhound Lines spent $6,036,800 for passenger advertising in six media measured by Leading National Advertisers in 1979, up from $2,921,700 in 1978. Of the 1979 total, $3,415,700 went into network tv and $1,567,400 into spot tv. The company also spent $481,300 to advertise its "Fast 500" package express—small package delivery overnight in a 500-mile radius.

Mr. Trautman, after relinquishing the chairmanship of the bus company, turned more attention to Armour, assuming the position of chairman and chief executive of Armour & Co. in February, from Clifton B. Cox, who continues as a vice-chairman of parent Greyhound Corp.

Greyhound began to realize benefits in 1979 from a reorganization of Armour into a group of six operating companies. In the reorganization process, Armour has shifted its emphasis to marketing and advertising and away from its traditional production orientation.

Armour Processed Meat Co. products include Armour Star bacon, believed to be the nation's leader, and Armour Star hot dogs, believed to be the second largest selling brand. The company also markets hams, sausages and lunch meats.

After trying an umbrella theme in 1979, as the reorientation to marketing continued, the processed products went back to individual ad approaches. For example, hot dogs were advertised this year as "juiciful" and bacon—with upbeat music and visuals emphasizing quality—carried the theme, "looks so good you can almost taste it." A western setting is being used to advertise Armour Golden Star ham as the "handle with care ham."

- Several Armour products were showcased with their own commercials during a new move for the "new" Armour—sponsorship of network tv specials. Armour had the full sponsorship of Debby Boone and Bob Hope specials in the first half of 1980 and has one-half sponsorship of the Emmies telecast in September. Other specials are under consideration.

The fully sponsored specials opened and closed with "corporate" spots showing the fresh, frozen and canned meat and poultry lines and suggesting, "You get something extra from everything Armour." Multiple product coupon offers were advertised in newspaper supplements in conjunction with the specials. A "Jump on the Armour Star Bandwagon" sweepstakes was launched prior to the Debby Boone special in June.

- In March, Armour Processed Meat Co. began testing Dinner Classics, a line of eight premium-price frozen entrees designed specially for use in microwave ovens. Radio and newspaper from Young & Rubicam/West, Los Angeles, backed the test in Boston, Miami and Seattle.

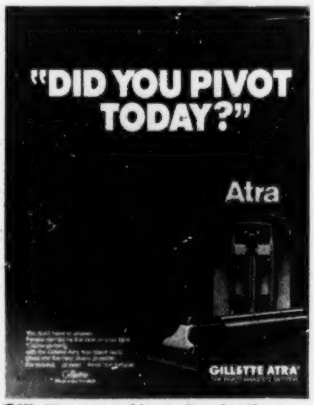
In the six media measured by LNA, Armour Star hot dogs were supported by $1,484,200, up from $754,300 the previous year. In 1979, all went to spot tv, except for $24,200 in magazines, and that was in contrast to 1978, when $499,600 went to network radio and $228,200 to magazines, $23,400 to outdoor and only $3,100 to spot tv.

Armour Star bacon was supported by $573,100, down from $753,300 the previous year. There was another big media shift, with the total spent in spot tv in 1979, compared to 1978 when $536,400 went to magazines and $210,000 to spot tv. Armour sausage kept its spending in spot tv, but only spent $2,000 in 1979, down from $194,500 in 1978. Lunch meats were backed by $24,900 in spot tv in 1979, in contrast to 1978 when $2,400 was spent in spot tv and a premium offer was backed by $34,000 in newspaper supplements.

Spending for hams was $515,300 in 1979, down from $974,800. Armour Golden Star canned ham alone was backed by $285,000 in magazines in 1979, while magazine advertising in combination with ReaLemon lemon juice was supported by $37,400, and advertising in combination with Uncle Ben's rice was supported by $65,000. Armour Star ham was supported by $8,300 in spot tv. An Armour canned ham and B&M baked beans contest was back by $119,600.

- Armour-Dial Co. markets Dial soap, the leading deodorant bar and Tone beauty bar and is believed to be an industry leader in canned meats with a line that includes Treet, Vienna Sausage, Potted Meat and other canned meats. The company's principal competitor in soaps is Procter & Gamble. Hormel is its principal competitor in canned meats. Some loss of market share and pressure from increased share of market for P&G's Coast is believed to have triggered Dial soap's move in 1979 to Needham, Harper & Steers, from Foote, Cone & Belding.

During 1980 Dial is offering a "Win-a-Schwinn Sweepstakes." The prizes are 200 10-speed bikes. Dial also has featured gymnast Cathy Rigby in magazine ads offering a sweepstakes, cents-off coupon and "an exercise program for every part of your body."



Gillette zeroed in on its pivoting razor head to sell the Atra razor.

- In June the company began testing Spirit, a scented deodorant soap similar to P&G's Coast, in western Michigan markets.

The largest single measured expenditure by the corporation in 1979 continued to be for Dial soap, with spending up substantially over the previous year and the second largest expenditure was for Tone, also up. Dial soap spending in 1979 hit $9,525,700, up from $5,466,000 in 1978. Of the 1979 total, $7,543,900 went to network tv, $1,820,200 went to network radio and $161,600 went to spot tv. In magazines, a 1979 premium offer was supported by $249,300. Tone soap was supported by $6,123,700 in 1979, up from $4,984,400 the previous year. Of the $6,123,700 spent in 1979, $5,102,600 went to network tv, $533,600 to magazines and $487,500 to spot tv. Tone was backed by an additional $217,400 in magazines for special premium offers.

Armour-Dial also markets antiperspirants. Measured spending for such products totaled $4,349,100 in 1979, up from $2,849,800 in 1978. Dial Quick-Dry roll-on antiperspirant was backed in 1979 by $4,170,100 all in network tv. Dial antiperspirant roll-on and solid were supported with $179,000 in magazines. The company said it had a 25% increase in brand share in 1979.

Other Armour-Dial products with measured ad support in 1979 according to LNA, included Appian Way pizza mix, $57,300, with $47,200 of the total in spot tv and $10,100 in magazines; Armour canned chili backed by $322,300 in spot tv; and Armour Treet, supported by $864,900, including $562,100 in magazines and $302,800 in spot tv.

- Armour Vienna Sausage, with "delicious pork and beef in every bite," stresses its versatility as a voiceover announcer comments: "How do I love thee? Let me count the ways," in a tv spot added to its 1980 efforts. Vienna sausage was backed by $433,200 in measured media in 1979, all in magazines. Armour Star dried beef was backed by $108,100 all in magazines, and an additional $53,800 in magazine advertising with Creamettes macaroni. An Armour Star canned meats premium offer was supported by $103,600 in magazines.

The company plans to introduce "single serve" sizes of Armour Star chili, hash and beef stew in 1980.

Armour-Dial's new La Sauce line of sauces for baked chicken, handled by Foote, Cone & Belding/Honig, San Francisco, moved beyond Ohio test this year and into northeastern distribution. The line includes Oriental, Italian, barbecue, Mexican and sweet and sour.

- With chicken consumption rising 250% faster than the population, turkey consumption rising 50% faster than the population and cheese consumption increasing 6% a year, Armour Poultry & Dairy Products Co. is seen by Greyhound as offering strong growth potential.

With Armour vowing to emphasize new product development in the foreseeable future, the poultry company late in 1979 successfully introduced Golden Star butter basted boneless turkey, ready to cook. Featured in advertising by Y&R/West, Los Angeles, as "the trouble-free turkey," the new product is seen by the company as an answer to the old industry problem of getting consumers to serve turkey at times other than holidays. Due to the immediate success of the product, it is expected to complete national distribution before the end of 1980. Armour plans to follow the boneless turkey with testing of three more turkey items, including a precooked boneless turkey in both smoked and unsmoked varieties.

- Expansion is also planned for Armour's Gold 'n Plump chickens which have been marketed primarily in the Midwest. Two more branded chicken products are slated for test. Armour also is working to revitalize its Miss Wisconsin and Cloverbloom consumer cheese products and expand them beyond their primary mid-Atlantic states distribution.

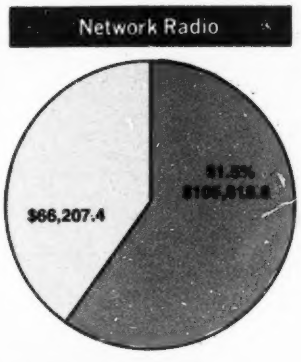
To support its stepped up activity, the poultry and dairy unit has quadrupled its ad budget to $8,000,000 for 1980.

In measured media Armour Star frozen turkey was backed by $399,300, all in spot tv in 1979 and Armour Golden Star frozen turkey was backed by $76,300, all in magazines.

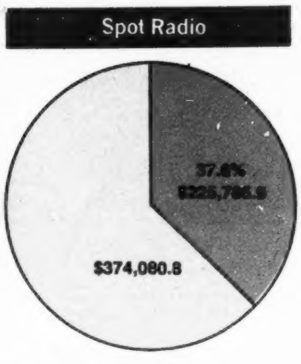
- Decker, a subsidiary Armour brand, spent $11,700, all in spot tv, to back its meat products in 1979; and another subsidiary, Pfaelzer, spent $82,500 to support its frozen steaks, incuding $67,600 in magazines and $14,900 in newspaper supplements.

The other three segments of Armour business include Armour Handcrafts Inc., marketer of Malina handknitting yarn and hobbycraft kits and Bucilla handknitting and needlecraft products; Armour International Co., a sales and mar-

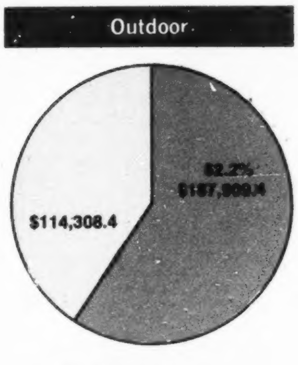
giant share of expenditures in most media



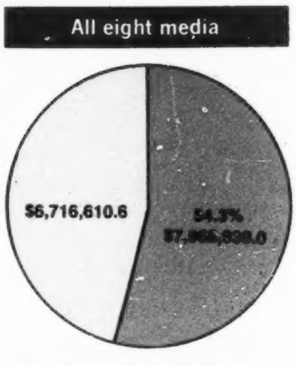
Total for Network Radio
$172,026.2



Total for Spot Radio
$599,866.7



Total for Outdoor
$302,217.8



Total for All Eight Media
$14,684,940.6

Of the $14.7 billion invested by national advertisers in eight media last year, more than half ($7.9 billion) came from the 100 leading national advertisers, as shown in these charts. Sources: Leading National Advertisers; Publishers Information Bureau; Broadcast Advertisers Reports; Radio Expenditure Reports; Institute of Outdoor Advertising; Outdoor Advertising Assn. of America; Radio Advertising Bureau; Agricultural Marketing Information Service (AGRICOM); Media Records.

($ amounts in thousands)

keting organization for Armour consumer products outside the U.S.; and Armour Fresh Meat Co. which was the leading contributor to the Armour Group's $27,000,000 share in 1979 corporate earnings.

Greyhound's Financial Group was the largest contributor to corporate earnings in 1979, with net income of $51,500,000, up 39% over the previous year. The group deals in assets management through equipment financing, computer leasing and marketing, insurance and reinsurance, money order services, stock portfolio management and real estate investment. Greyhound Leasing & Financial Corp. spent $100,400 in magazines in 1979; and Greyhound Computer Corp. spent $198,200 in magazines to promote computer leasing.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$2,574,000	$3,452,500
Magazines	4,748,400	5,860,100
Spot tv	5,465,000	2,051,600
Network tv	20,232,300	12,765 800
Spot radio	845,600	1,570,100
Network radio	3,117,000	1,363,900
Outdoor	—	30,500
Total measured	36,982,300	27,094,500
Unmeasured	16,817,700	18,648,000
Estimated total	53,800,000	45,742,500

GREYHOUND CORP.

MARKETING PERSONNEL

Dorothy A. Lorant, vp, pr & adv

GREYHOUND LINES

MARKETING PERSONNEL

G. Cawman, vp, sales
Lee Whitehead, pr director

ADVERTISING AGENCY

Bozell & Jacobs Inc., Dallas.

ARMOUR PROCESSED MEAT CO.

MARKETING PERSONNEL

E.L. Sharpe, vp-mktg
N.A. Rago, vp-mktg services
H.D. Churchill, vp-sales
F.X. Tobin, vp-natl accounts
R.W. Alstrin, vp-food service
C.R. Brooks, vp-natl sales mgr, food service
W.D. Wallen, natl pricing mgr
G.H. McCann, director of sales/promo devel
F.A. Yorio, vp-new products devel
D.L. Passaglia, director, mktg rsch
K.L. Meell, pr director
A.R. Cronquist, director of sales admin
W.H. Heitz, director, prod mktg.

POULTRY & DAIRY PRODUCTS CO.

R.R. Farina, natl sales mgr
G.F. Feitig, director of prod mktg
T.A. Hartke, product mgr retail

FRESH MEAT CO.

W. Tunnell, president
B.B. Kemp, vp-pork
T. Hamlett, vp-beef, lamb & veal
T.J. Fleming, vp-sales & mktg
L. Gupton, product mktg mgr, fresh meat

ADVERTISING AGENCIES

Young & Rubicam, Los Angeles—Mitch Barnes, vp-acct super; Joan Gross, acct super.

Marsteller Inc., Chicago—Dave Johnson, acct super.

Hackenberg, Norman, Krivkovich & Partners, Chicago—Richard Hackenberg, acct super; Peter Krivkovich, acct super, Pfaelzer frozen gourmet meats.

ARMOUR-DIAL CO.

MARKETING PERSONNEL

R.E. Garabedian, vp-product mktg
G.E. Glasgow, director, product mktg/soaps, household
L.D. Langford, director, product mktg/food & toiletries
W.B. Martin, group product mgr/food
J.C. Sanchez, group product mgr/household
R.L. Pollard, group product mgr/Dial soap
P.J. Lustig, group product mgr/Tone soap
W.H. Windham, vp-sales
A.R. De Bolt, vp-sales, special mkts
N. Marsh, vp-natl field sales
H. Goldberg, director, new product devel
C.H. Ferry, vp-customer devel

ADVERTISING AGENCIES

Foote, Cone & Belding, Chicago—Armour Star canned meats—Paul Vernon, mgmt super.

Foote, Cone & Belding/Honig, San Francisco—Tone soap, new products—Robert Imel, mgmt super.

Needham, Harper & Steers, Chicago—Dial soap—Gerry Rubin, senior vp-mgmt rep.

Bernard Kahn Associates, New York—New products—Bernie Kahn, president

Ogilvy & Mather, Chicago—Dial antiperspirant, Appian Way pizza—Paul Pass, mgmt super.

Conill Advertising, New York—Spanish market advertising, Dial soap, Tone soap, Armour Star canned meats—Alicia Conill president.

Gulf + Western Industries

	1979	1978
Sales*	$6,507,000,000	$5,306,000,000**
Earnings*	227,438,000	180,516,000
Advertising*	191,500,000	131,595,000**

*** Fiscal years ended July 31, 1978 and 1979**
**** Includes Financial Services Group**

Gulf + Western Industries, New York, the 15th largest national advertiser, increased its total advertising expenditures 46% to $191,500,000 in 1979. Its big spenders were Paramount Pictures, Kayser-Roth and Simmons Co.

Total net sales and other revenues of Gulf + Western were up 23% and net earnings increased 26% for the fiscal year ended July 31, 1979.

The company's operating groups accounted for net sales and other revenues in fiscal 1979 as follows: Manufacturing, 20%; financial services, 19%; leisure time, 15%; apparel and home furnishings, 17%; paper and building products, 9%, consumer and agricultural products, 7%; natural resources, 7%, and automotive replacement parts, 6%.

- The leisure time group, with record revenues of $967,000,000 in fiscal 1979, includes: Paramount Pictures; Simon & Schuster; Madison Square Garden sports and entertainment complex; Famous Players Ltd., a 51%-owned subsidiary operating theaters in Canada and France: Famous Music Corp., which publishes and promotes musical compositions, and Cinema International Corp., which is partly owned by Paramount and Universal City Studios, a subsidiary of MCA Inc. The division distributes the two companies' movies overseas.

Paramount was the group's—and the corporation's—biggest advertiser with expenditures of $82,200,000 in fiscal 1979. The company set a new domestic record with motion picture rentals of $240,600,000.

Contributors to Paramount's results were: "Escape From Alcatraz," "Meatballs," "Prophecy," "Grease," "Saturday Night Fever," "Foul Play," "Heaven Can Wait," "Up in Smoke," "Death on The Nile" and "The Warriors."

Paramount also scored a new foreign motion picture rentals record with a total of $163,100,000.

During the 1979-80 period, Paramount released box office successes including "North Dallas Forty," "Starting Over," "Star Trek—The Motion Picture" (which set an industry record for box office grosses in its opening around the country), "American Gigolo," "Little Darlings" and "Friday the 13th."

- Paramount's summer 1980 release lineup includes "Urban Cowboy," "Rough Cut," "The Hunter," "Airplane," "Bon Voyage, Charlie Brown (And Don't Come Back)" and the reissue of "Meatballs."

Paramount Television also contributed significantly to leisure time group's results. The 1979-80 season was begun with 10 series on network tv, more than any other production company. As Paramount TV adds shows such as "Mork & Mindy," "Taxi" and "Angie" to its list of perennial favorites, including "Happy Days" and "Laverne & Shirley," it continues to build a library for future syndication. Paramount TV also continues syndication of series such as "Star Trek," "The Odd Couple," "The Brady Bunch" and "Mission Impossible."

In addition, Paramount TV is producing various films and miniseries, including "Shogun," which will be broadcast as a 12-hour miniseries during the opening week of the 1980 season on NBC.

Advertising expenditures for Famous Players Ltd. were $5,100,000 in 1979, compared with $5,600,000 in 1978.

Simon & Schuster spent about $10,900,000 in advertising, promotion and publicity in fiscal 1979, compared with about $7,100,000 in 1978. During 1979-80, Simon & Schuster broke the industry record for the greatest number of best-sellers—eight—on the top ten list on one week.

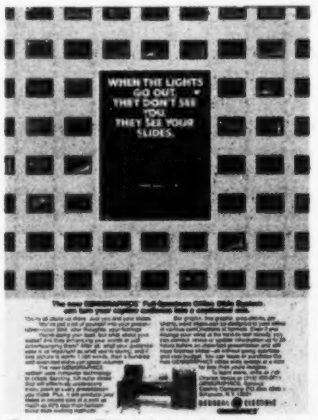
Hardcover best-sellers included: "Memories of Another Day," "The Brethren," "Donahue," "Kane & Abel," "How to Become Financially Independent by Investing In Real Estate," "Nothing Down," "Heartsounds," "Dr. Fischer of Geneva or the Bomb Party," "Sins of the Fathers" and "The Bleeding Heart." Paperback best-sellers from Pocket Books included "Flowers in the Attic," "Star Trek: The Novel," "Good as Gold," "Ghost Story," "War & Rememberance" and "Moviola,"

Simon & Schuster's new juvenile division, Wanderer Books, obtained the publishing rights to the "Nancy Drew," "Hardy Boys" and "Bobbsey Twins" books. S&S entered the booming field of contemporary romance fiction with Silhouette Books.

- Madison Square Garden Corp., which spent $7,500,000 in ad dollars in fiscal 1979 compared with $5,000,000 in 1978, owns and operates: Madison Square Garden, New York Knickerbockers, New York Rangers, the Washington Diplomats, James Lipton Productions, Marketing Concepts Inc., Bugs Bunny Follies, Madison Square Garden Communications Network, racetracks in New York and Chicago, and has an 80% participation in International Holiday On Ice.

The apparel and home furnishings group had net sales of $1.1 billion. The group consists of Kayser-Roth, one of the nation's largest manufacturers of apparel, and Simmons Co., a major manufacturer of home and institutional furnishings.

- Kayser-Roth is divided into four major product lines: Apparel, hosiery, specialty textiles and shoes.


WHEN THE LIGHTS GO OUT, THEY DON'T SEE YOU. THEY SEE YOUR SLIDES.

General Electric's Genigraphics uses computer technology to produce color slides.

The company spent a total of $45,100,000 in advertising in fiscal 1979.

Some of its well-known brand names include: Catalina, Cole of California, Excello, Colonial, Her Majesty, Oscar de la Renta men's wear, Sandler of Boston, John Newcombe tennis wear and Kayser Intimate apparel.

The hosiery division produces ladies' pantyhose and stockings under such brands as No Nonsense, Kayser, Mojud and Supphose, which are distributed through supermarkets, drugstores and mass merchandisers. Men's hosiery is marketed under the Interwoven, Supp-hose and Fruit of the Loom brands.

Simmons Co., acquired by G+W in fiscal 1979, had advertising expenditures of $12,300,000. The company consists of two operating units: Simmons U.S.A., which primarily markets bedding products in the U.S. and Simmons Universal, which markets bedding products abroad and a variety of home and institutional furnishings worldwide.

- Simmons U.S.A. is running a campaign for its Beautyrest mattresses that compares Beautyrest qualities with other mattresses.

In the Hide-A-Bed sofa area, the company has launched a magazine promotion, the largest such campaign in the furniture industry in the last ten years, using inserts that promote the company's "Speed Service" line.

Among Simmons U.S.A.'s most recent new products are: Elevations furniture groupings, providing seating at three different heights to give greater flexibility for smaller living areas and Flotation water beds.

Bedding products are marketed under such brands as Beautyrest, Deep Sleep, Slumberking Feelings, Beautyform, Hide-A-Bed, Hide-A-Bed sofas, Epeda, Quietude, Maxipedic, Goldenrest and Comforest.

Simmons Universal is divided into four operating divisions: International; decorative fabrics, wallcoverings and accessories; furniture, and caskets.

Simmons Universal recently created the Gulf + Western healthcare group, a combination of Simmons Contract, Thonet and Hausted hospital furnishings, which will be heavily promoted within the institutional healthcare industry.

- Upholstered furniture is marketed under such brands as Selig, Debu/Flair of California and KT Furniture. Other diversified furniture and wall coverings include such brand names as Greeff Fabrics, Bloomcraft, Katzenbach & Warren, Albert Van Luit, Old Stone Mill, Raymor/Moreddi, Dux of Sweden, Thonet, Meadowcraft, Little Folks Furniture and Hausted. Burial caskets are marketed under the brands, Elgin, Corinthian, York-Hoover and Wallace.

- The consumer and agricultural products group had net sales of $457,000,000 in fiscal 1979. The consumer products units of this group consist of the Consolidated Cigar Co. and the Schrafft Candy Co.

Consolidated Cigar remains the leading advertiser in the group with expenditures of more than $8,400,000 in 1979. This represented a 49% share of all the advertising expenditures in the cigar industry. Agricultural products spent $2,100,000 for advertising, bringing the total advertising expenditures for the group to $10,500,000.

Consolidated Cigar maintained its first place position in the U.S. cigar market with a 26.2% share of unit volume. The leading domestic brands include Dutch Masters, El Producto, Muriel and Ben Franklin. Its leading pipe tobaccos are Mixture No. 79, Sutliff Private Stock and Old Grand Dad.

Dutch Treats Little Cigars have shown a 23% sales increase; they come in regular, menthol and pipe aroma, the latter introduced the previous year.

- In 1979, the company began test marketing a new small cigar called Backwoods in Buffalo, Milwaukee, Memphis and Phoenix. Advertising was concentrated in tv.

The premium cigar division has added Don Diego and H. Upmann to its magazine schedule, which began with Primo Del Rey two years earlier. The schedule includes the *New York Times Magazine, The New Yorker* and *Wall Street Journal*. Industry dollar sales of cigars, 50¢ and over, have shown increases for the last five years.

Schraffts, in a new market move, has introduced the Schrafft Candy Shoppe, a 60-item, bagged candy product assortment.

Gulf + Western's other operating groups spent about $16,400,000 collectively for advertising and promotion in the fiscal period, broken down as follows: Manufacturing, $4,800,000; natural resources, $200,000; paper & building products, $1,300,000; automotive replacement parts, $4,000,000, and financial services, $6,100,000.

Gulf + Western's corporate advertising expenditures in fiscal 1979 were $3,600,000, primarily for its 64-page insert in *Time*.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$2,465,600	$1,329,600
Magazines	7,972,600	5,367,400
Spot tv	20,101,800	14,983,200
Network tv	19,802,100	15,965,100
Spot radio	1,046,200	731,400
Network radio	460,300	95,500
Outdoor	1,169,000	556,700
Total measured	53,017,600	39,028,900
Unmeasured	138,482,400	92,566,100
Total	191,500,000	131,595,000

MARKETING PERSONNEL

Corporate

William A. Blodgett, vp, corporate communications
Jerry Sherman, asst vp, pr director
Paul F. Pickard, mgr, field communications

PARAMOUNT PICTURES CORP.

Frank Mancuso, exec vp-distribution & mktg
Eddie Kalish, senior vp, mkt,
Tom Campanella, vp, natl adv
Larry Mark, vp-production/mktg, L.A.
Jon J. Gould, director, mktg admin exec asst to Frank Mancuso
Bob Goodfried, L.A. mktg consultant
Buffy Shutt, exec director, natl publicity
Howard Levine, exec director, production/-mktg
Lois Shatir, exec director, natl sales promo
Shelly Hochron, exec director, print adv
Angel Lopez, director, co-op adv
Sid Eisenberg, director, natl adv

ADVERTISING AGENCY

Diener/Hauser/Bates, New York

SIMON & SCHUSTER

Trade Book Division (Hardcover)

Strome Lamon, vp, corp adv director
Joseph T. Consolino, senior vp-gen mgr
Sam Meyerson, vp-mail order sales
Charles B. Davis, sales promo director

Pocket Books Division (Paperback)

Alvin B. Reuben, senior vp-sales director
Peter Minichiello, promo & adv director
Nancy Haslam, promo & adv mgr

ADVERTISING AGENCIES

Schwab/Beatty, New York
DKG Advertising, New York
Franklin Spier Inc., New York

MADISON SQUARE GARDEN CORP.

John Gfeller, vp-mktg
Robert J. Cole, director, adv—MSG Center

ADVERTISING AGENCIES

MSG Advertising (in-house)
Sports Advertising (in-house)
Abramson/Himelfarb
Harrison & Higgins
Ash/LeDonne

KAYSER-ROTH CORP.

Maurice Forman, director, mktg/devel

CATALINA

Pat Shaef, div adv mgr

ADVERTISING AGENCY

Keye/Donna/Pearlstein, Beverly Hills

COLE

Harriet Cellini, div adv mgr

ADVERTISING AGENCY

Michelson Advertising, Los Angeles

CROWN TEXTILE

Richard Sheerr, president

ADVERTISING AGENCY

Mintzer, Trossler & Rothschild, New York

EXCELLO SHIRT

Joseph Losgar, president

ADVERTISING AGENCY

Park Place Group, New York

Oscar de la Renta Marketing

Edwin J. Berkowitz, president

ADVERTISING AGENCY

Daniel & Charles, New York

HER MAJESTY INDUSTRIES

June Cheek, president

ADVERTISING AGENCY

Ruth B. Fetske Associates, New York

POLLACK SPORTSWEAR

Jerry Pollack, president

ADVERTISING AGENCY

Park Place Group, New York

INTERWOVEN

Peter Glidewell, division adv mgr

ADVERTISING AGENCY

Ally & Gargano, New York

LADIES' BRANDED

Linda Romeo, div mgr

ADVERTISING AGENCY

Greene & Claire, New York

NO NONSENSE

Dick Carter, div adv mgr

ADVERTISING AGENCIES

Grey Advertising, New York
Cunningham & Walsh, New York

K-R INTIMATE APPAREL

Bernadette Koziel, div adv mgr

ADVERTISING AGENCY

Mintzer, Trossler & Rothschild, New York

MAVEST/CHAMPION/TASSEL

Michael Kaye, div adv mgr

ADVERTISING AGENCY

Park Place Group, New York

A. SANDLER

Lorna Starbird, div adv mgr

ADVERTISING AGENCY

Don Wise & Co., Boston

K-R GLOVE & ACCESSORIES

Nina McLemore, president

ADVERTISING AGENCY

Park Place Group, New York

SIMMONS U.S.A.

Merrill Norvell, vp-mktg
Allan Bain, vp-sales
Leonard Gaby, vp-merch-bedding
M.L. (Skip) Johnson, merch mgr-upholstrery
Larry B. Alm, adv director
James F. Walker, promo mgr

ADVERTISING AGENCY

McDonald & Little, Atlanta

SIMMONS UNIVERSAL

SIMMONS CASKET CORP.

ADVERTISING AGENCY

Goodchild & Eidson, Providence, R.I.

G&W HEALTHCARE GROUP

ADVERTISING AGENCY

Marjorie Katz Design, New York

THONET INDUSTRIES

ADVERTISING AGENCY

Marjorie Katz Design, New York

JUVENILE PRODUCTS DIVISION

ADVERTISING AGENCY

Butz & Campbell, Chicago

HAUSTED DIVISION

ADVERTISING AGENCY

Marjorie Katz Design, New York

BIRMINGHAM ORNAMENTAL IRON CO.

ADVERTISING AGENCY

Liller Neal Weltin, Atlanta

ALBERT VAN LUIT & CO.

ADVERTISING AGENCY

Whiteman Advertising, Los Angeles

ARTISAN HOUSE

ADVERTISING AGENCY

Robinson, Clarke, Berkely, Cal.

DEBU/FLAIR

ADVERTISING AGENCY

Snyder Advertising, Los Angeles

SELIG MANUFACTURING CO.

ADVERTISING AGENCY

Sweet & Co., New York

INTERNATIONAL DIVISION

John Walsh, director mktg
Richard Denker, director mktg

CONSOLIDATED CIGAR CORP.

John J. Roarty, senior vp-mktg
Philip E. Penberty, vp-mktg
Jeffrey Bittens, vp-sales/sales devel
Joseph G. DeVico, pr director
Andrew Edmond, mkt rsch director
Don Young, group product mgr
Richard De Coursey, brand mgr
Suzanne Brennan, assoc brand mgr

ADVERTISING AGENCY

David, Oksner & Mitchneck

GULF + WESTERN MFG. CO.

Southfield, Mich.

Thomas H. Smith, director, adv/pr
William E. Green, director, mktg

DISTRIBUTION GROUP

Drury I. Connor, director, adv/pr

ENERGY PRODUCTS GROUP

Gloria Robinette, supervisor, comm

ADVERTISING AGENCIES

Josephson, Cuffari & Co., Montclair, N.J.
Jaqua Advertising, Grand Rapids, Mich.
Creamer Inc., New York
Riegner & Associates, Southfield, Mich.
Keller-Crescent, Evansville, Ind.
Gray & Kilgore, Detroit
Wilding Advertising, Southfield, Mich.
Miller Advertising, New York
Ferguson Advertising, Jenkintown, Pa.
Creswell, Munsell, Fultz & Zirbell, Cedar Rapids, Ia.
Advertising Department, Austin, Tex.
McCarron, Kane, Burbank, Cal.
Huntington Graphics, Abington, Pa.
Harton, Church & Goff, Providence, R.I.
Goodchild & Eidson, Providence, R.I.
Caroe Marketing, Rye, N.Y.

A.P.S. INC.

Houston

Everett L. Kelly, vp
Robert T. Pando, vp

ADVERTISING AGENCY

McCann-Erickson, Houston

BROWN CO.

Robert J. Sherry, vp, admin

NATURAL RESOURCES GROUP

Gordon R. Smith, vp, corporate communications
Ryland L. Hoskins, director, corporate communications
Christina C. Hemmer, creative services

ADVERTISING AGENCY

L. Hoider, Kennedy & Co., Nashville & New York

ASSOCIATES CORP. OF NORTH AMERICA

Andrew M. Stern, vp pr

ASSOCIATES FINANCIAL SERVICES CO.

B.P. Daley, exec vp, operations & mktg

ADVERTISING AGENCY

Bozell & Jacobs, Southwest

ASSOCIATES COMMERCIAL CORP.

ADVERTISING AGENCY

Wilk & Brichta, Chicago

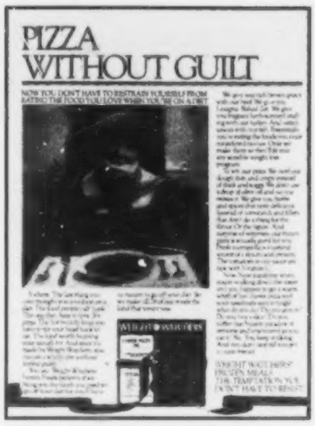
H. J. Heinz Co.

	1979	1978
Sales	$2,924,774,000	$2,470,883,000††
Earnings	142,887,000†	110,430,000††
Advertising*	71,469,335	74,111,000

***Estimated by AA**
†Sales and earnings for fiscal year 1980, ended April 30, 1980.
††Restated, figures are for fiscal year 1979.

H. J. Heinz Co., the 63rd largest national advertiser, decreased its domestic advertising an estimated 3.6% to $71,469,335 in 1979. Company-reported expenditures were $104,830,000 for its fiscal year 1980.

Fiscal 1980, which ended April 30, 1980, again saw Heinz increase its sales and earnings for the 17th consecutive year. Consolidated sales rose 18.4% to reach $2,924,774,000, with domestic sales totaling $1.7 billion, up 12.2% over last year's $1.5 billion. This currently represents 59% of consolidated sales, the same as last year. Earnings rose 29.4% over last year's $110,430,000 figure to total $142,887,000.


PIZZA WITHOUT GUILT
NOW YOU DON'T HAVE TO RESTRAIN YOURSELF FROM EATING THE FOOD YOU LOVE WHEN YOU'RE ON A DIET
WEIGHT WATCHERS

Heinz' Weight Watchers, claiming 72% of the weight-loss market, spent an estimated $5,768,700 on advertising in 1979.

Heinz, marketer of over 1,250 products worldwide, markets domestically through Heinz USA, Star-Kist Foods, Ore-Ida Foods and the Hubinger Co., a producer of the Hi-Sweet brand of high fructose corn syrup for industrial use. Most recently, high fructose syrup has been approved for use by the Coca-Cola and Pepsi-Cola companies. Heinz also markets the Weight Watchers label through its acquisition of Weight Watchers International, Foodways National and Camargo Foods.

Although Heinz controls more than 40% of the retail ketchup market and has increased its share of the food service market to 60%, the company has cut its measured advertising expenditures (excluding newspapers) to an estimated $2,184,000 from $7,438,400 in 1978. Two major general promotions were utilized, however, which depended heavily on newspaper and coupon ads. One was the Great Ketchup Giveaway early in the year, and the other was the Heinz Free Burger Giveaway, implemented for the second year. Two new sizes, a 24-oz. and a 44-oz. size, were also added to the ketchup line.

Heinz 57 steak sauce continued to reposition itself as a recipe ingredient as well as a condiment, and measured ad dollars for the sauce, in addition to the Heinz steak sauce sweepstakes, totaled $1,180,100, excluding newspaper ads.

Heinz edged into second place in the baby food market, claiming a share exceeding 15%. The company introduced a line of seven natural fruit yogurt flavors for babies that require no refrigeration before serving. A line of "Saver Size" strained juices were introduced into test markets, and juices in jars have received favorable reactions since their introduction last year, according to the company. Heinz also reentered the New York market after a three-year absence. Total media spending was estimated at $332,300.

In the private label soup market, three varieties of chunky soups in 19-oz. and single-serve sizes were introduced. The Great American Soup label was reintroduced as a 15 variety condensed soup line for retailers who lack their own private label brands.

Star-Kist tuna, still wrestling for first place with Ralston Purina's Chicken of the Sea in the retail tuna market, which reportedly tops $1.5 billion in sales, was backed by $4,153,800 in measured media spending, including a tuna sweepstakes and a premium offer. Star-Kist's major marketing move was the national introduction of Chunk Light Tuna packed in natural spring water. The product is backed by print and tv advertising.

- Star-Kist's 9-Lives dry cat food introduced an eight-lb. size for heavy volume use into selected markets. 9-Lives dry was the leader in advertising expenditures with $8,853,100 in measured spending, $7,297,500 of which went into network tv, making it the most heavily promoted product from Heinz.

9-Lives, the leader in canned cat food, increased its market share to an estimated 32% from 18% in 1978. The company attributes much of this to the introduction of three new varieties: Western Menu, Liver & Bacon and Fish and Liver Feast.

Star-Kist also acquired Jerky Treats Inc., El Paso, Tex., in June, 1979. The dog treats marketer claims control of 20% of the market.

The Ore-Ida subsidiary, with over 48% of the frozen potato market in pounds and a 53% share of dollar sales, introduced its "All Rightas" ad campaign in 1979. Advertising expenditures totaled $7,980,000.

La Pizzeria, Ore-Ida's premium frozen pizza, introduced a 9-in. size cheese pizza in January, 1979. Total advertising expenditures were $2,448,100.

- Mrs. Goodcookie, the frozen ready-to-bake cookie, came out with a new peanut butter variety that presently ranks No. 3, while the chocolate chip variety retains its No. 1 position. The brand was introduced into the Northeast in August, 1979, and is now distributed nationwide.

Weight Watchers and its subsidiaries, Foodways National and Camrago Foods, all have moved to Doyle Dane Bernbach. Weight Watchers, which claims a 72% share of the weight loss market, spent an estimated $5,768,700 on advertising.

Foodways National backed with $3,000,000 a frozen entree and dinner campaign stressing the realistic approach of Weight Watcher dieting.

Camargo Foods has a cooking spray in limited test markets and is in the process of expanding its bread and frozen desserts lines.

A settlement was reached in May, 1979, in the Heinz vs. Campbell Soup Co. case, in which Heinz charged Campbell with monopolization of the canned soup market. A federal court in Pennsylvania dismissed the charge without prejudice.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$ 2,826,400	$ 2,557,700
Magazines	3,232,900	1,779,100
Spot tv	9,640,200	8,469,200
Network tv	25,516,500	29,487,300
Spot radio	3,300	239,600
Outdoor	33,000	82,600
Total measured	41,252,300	42,615,500
Unmeasured	30,217,035	31,495,500
Estimated total	71,469,335	74,111,000

HEINZ USA

MARKETING PERSONNEL

Tomato Products and Pickles

D. W. Sculley, vp
T. J. Healey, genl mgr, grocery mktg
J. Crawshaw, group product mgr, ketchup and sauces
W. H. Van Duzer, genl mgr, grocery pickle/-vinegar mktg
J. A. Gordon, senior mgr, adv

Processed Foods Division

C. D. Hartmann, vp
R. E. White, genl mgr
R. H. Sanks, genl mgr

Nutrition Products Group

A. O. Wilteman, genl mgr
R. N. Bell, natl sales mgr
K. A. Connor, group business mgr
S. C. Pease, product mgr

Sales Division

W. V. Costello, vp
T. R. Jonell, genl mgr, food service sales
Jon Peterson, genl mgr, grocery sales

ADVERTISING AGENCIES

The Food Service Group, New York—food service products—Don Axelrod, president-acct super.

Doyle Dane Bernbach, New York—Weight Watchers—Jerry Brady, acct mgr; Mia Laughlin, acct super.

Leo Burnett Co., Chicago—ketchup, pickles, relishes, baby food—Joe McGowan, mgmt super.

Ketchum, MacLeod & Grove, Pittsburgh—57 sauce, barbecue sauce—Henry Lewczyk, av/acct super; vinegar—David Brown, acct super; Blennd fruit drink, Minute meals—Bill Stein, acct mgr, corporate and U.S. pr

Grey Advertising, New York—gravies, new prods—John Grace, acct super.

Tracy-Locke, Dallas—new products.

Warwick, Welsh & Miller, New York—vegetarian beans, pork 'n beans.

STAR-KIST FOODS

MARKETING PERSONNEL

R. L. Scharer, vp-mktg
W. H. Gassett, genl mgr-mktg
J. D. Kerr, mgr, adv/sales promo
A. A. Ayotee, natl sales mgr

ADVERTISING AGENCIES

Leo Burnett Co., Chicago—Alan Yurman, mgmt director.

The Norton Co., Los Angeles—Tim Norton, president/acct exec.

ORE-IDA FOODS

Dietmar Kluth, vp-sales/mktg
Wayne Durfey, genl mgr, food service
William S. Bradbury, genl mgr, retail mktg-formulated products
Geoffrey V. Supko, genl mgr, retail mktg, current prods
M. Vince Shaar, genl mgr, retail sales

ADVERTISING AGENCIES

Doyle Dane Bernbach, New York—David Skinner, acct super.

Foote, Cone & Belding/Honig, San Francisco—Tom Dynjan, acct super.

The Norton Co., Los Angeles—Tim Norton, acct exec.

WEIGHT WATCHERS INTERNATIONAL

MARKETING PERSONNEL

Kent Q. Kreh, vp-mktg business devel
Charles H. Meyer, director-classroom mktg

ADVERTISING AGENCIES

Doyle Dane Bernbach, New York—Irwin Satin, mgmt super.

Graber & Cohen, New York—Julian Cohen, mgmt super.

Heublein Inc.

	1979	1978
Sales	$1,769,074,000	$1,620,112,000
Earnings	68,130,000	56,290,000
Advertising	155,000,000	118,000,400

Heublein Inc., Farmington, Conn., the 26th largest national advertiser, increased its ad spending about 31% in 1979 to an estimated $155,000,000. Measured media spending was $87,585,700, up from $79,235,400 in 1978. Income increased 21% to $68,130,000 for the fiscal year ended June 30, 1979, as sales climbed 9% to $1,769,074,000.

Heublein's beverage operations passed some major milestones last year, including sales in excess of $1 billion for the first time, a record 42,200,000 cases of spirits and wines shipped and Smirnoff's move into the lead as best-selling spirit brand (according to an independent industry report).

However, the company was beset with some legal difficulties that may diminish future performance. Shortly after the close of fiscal 1978, a Federal Trade Commission administrative law judge ruled that Heublein must divest itself of United Vintners, its major California wine company. Heublein is still appealing the decision to the full FTC, arguing that the wine business remains competitive with UV's present ownership.

Smirnoff, which leads the vodka market with an estimated 23% share, raised its media spending from $9,000,000 to $15,000,000 and changed its creative strategy to appeal to a broader segment of the population. Through Tinker, Campbell-Ewald, New York, Smirnoff's new print campaign broke in mid-July. The ads show people engaged in such lighthearted activities as enjoying a summer cruise on a flotilla of rubber rafts, eating dinner by candlelight in a rowboat and frolicking in the spray of a garden sprinkler.

"At this point in the brand's history, Smirnoff can no longer thrive on the image of exclusivity that characterized it in the past," said Joseph E. Corr Jr., vp-marketing, Heublein Spirits Group.

Despite the fact that vodka is the largest-selling liquor category, Heublein's Smirnoff remains the only brand recognizable nationwide, having built the market since the early '50s. It is precisely this success that competing distiller Joseph E. Seagram & Sons feels makes Smirnoff vulnerable to a challenge.

Von Konig silbervasser, the brand with which Seagram hopes to snatch Smirnoff's crown, is not really a vodka at all but a form of neutral grain spirit that Seagram has registered as a new category of liquor. The difference between the two spirits—a difference stressed in the challenger's ads—is in Von Konig's texture, described as a heavy cream to vodka's half and half.

A new category of challengers is entering the vodka market—the super premiums—including Finlandia from Finland, Stolichnaya from Russia, Absolut from Sweden, Tsingtao from China and Izmira from Turkey, and Heublein's recent entry, Smirnoff de Czar Special Reserve vodka.

Smirnoff faced a challenge of a different sort from the Treasury Department's Bureau of Alcohol, Tobacco & Firearms, which recently ordered all alcoholic beverage marketers to include on their labels either an ingredient list or an address where consumers can write for ingredient information. The order is scheduled to take effect in 1983.

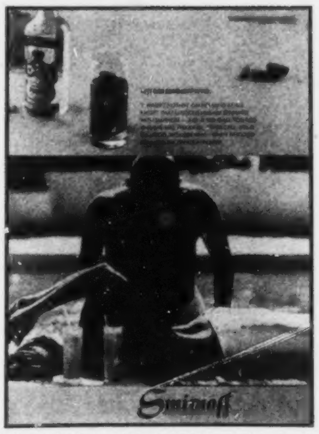
In another matter, an ex-alcoholic filed suit against Smirnoff to require warning labels be placed on its products. Kenneth Garrison, whose original, one-page complaint against the brand stood a good chance of getting dismissed because of its lack of legal language and structure, refiled the suit—now a 17-page document—last June in Chicago federal district court. The amended suit claims that Heublein has been negligent for failing to place a label on Smirnoff warning of the product's "addictive nature" and its "propensity to cause physical damage to the consumer" including "impairment to physical and motor skills" and "mental capacity and facilities for a period of time after consumption."

■ United Vinters this summer began an aggressive campaign pitting its line of three low-alcohol wines against two of the leaders in the brisk table-wine market. Commercials with the theme "softness you can actually taste" feature consumers who rate the generic soft chablis over Paul Masson and Almaden offerings.

The three Lejon brand wines—a chablis with 10% alcohol, a burgundy with 8% alcohol and a rosé with 9.5% alcohol—were tested in Albany, N.Y., Milwaukee and Seattle. The tv spot from McCann-Erickson promoted only the chablis and broke in early June.

Other Heublein spirits receiving heavy ad backing last year were Black Velvet blended Canadian whisky, whose measured media total of $3,572,000 was invested mainly in outdoor, via F. William Free & Co., New York; Harveys Bristol Cream sherry, with $4,619,000 in measured media split between network and spot tv, via D'Arcy-MacManus & Masius, New York, and Heublein Cocktails with a $3,000,000-plus investment, mainly in magazines, via McCann-Erickson, New York.

Among the wines getting heavy media backing were Lancers, most of whose $2,400,000 went to network tv (also via McCann-Erickson), Inglenook wines, with more than $3,000,000 invested in network tv (McCann-Erickson-San Francisco) and Colony wines, with more than $4,000,000 in tv backing (also McCann-S.F.).



Heublein's Smirnoff vodka ad used a fairy tale-style copy to introduce a mixed drink recipe.

Total revenues from Heublein's Food Operations, which includes Grocery Products and Food Service and Franchising groups, were down 2% for the year, to $413,923,000. The decline for the Grocery Products group was due mainly to the decision by many supermarket chains and wholesalers to reduce their inventories in response to the high cost of short-term borrowing.

■ The Ortega brand of Mexican foods continued to do well in this fast-growing and highly competitive category. The line, including canned chile, Mexican sauce, taco shells and refried beans, received a total of about $4,000,000 in measured media backing. Agency is Marschalk & Co., New York. Plans for fiscal 1980 include a tv ad campaign featuring pro golfer Nancy Lopez as spokesperson for the brand.

Kentucky Fried Chicken continued to use the advertising theme "It's so nice to feel so good about a meal," which was introduced by Young & Rubicam in 1978. According to Heublein's 1979 annual report, "Most local KFC advertising is using the same theme, creating the 'campaign effect' missing in previous years." Measured media spending for KFC in 1979 was $31,946,300, mainly invested in network and spot tv.

■ In a year when many fast-food chains resorted to promotions and giveaways to halt the declining traffic flow that has troubled the industry, Louisville-based KFC limited itself to moderate use of couponing. KFC's sales were up 14% for the year and the only thing out of the ordinary about its ad program was the use of former baseball star Hank Aaron in a 30-second tv commercial. Mr. Aaron, who made a cameo appearance as a Little League baseball coach, is the first celebrity (other than Col. Sanders) to be used by KFC.

A.1. steak sauce, leader in its category, suffered a drop in volume mainly due to rising beef prices and the resultant decline in beef sales. A.1. agency Marschalk launched a tv campaign in May, 1979, promoting the sauce as a tasty ingredient to add to hamburgers. The tv spots were supplemented in January and February of this year by recipe ads in women's magazines.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$3,092,200	$5,003,900
Magazines	14,861,600	17,233,900
Spot tv	20,782,800	18,806,800
Network tv	35,025,900	27,124,200
Spot radio	4,371,000	3,450,000
Network radio	566,600	661,200
Outdoor	8,885,600	6,955,400
Total measured	87,585,700	79,235,400
Unmeasured	67,414,300	38,765,000
Estimated total	155,000,000	118,000,400

MARKETING PERSONNEL

Stuart D. Watson, chairman
Hicks B. Waldron, president
Christopher W. Carriuolo, exec vp
John A. Powers, senior vp-alcoholic beverages
Paul R. Dohl, vp-group exec, spirits group
Robert A. Martin, vp-group exec, wines group
Michael A. Miles, vp-group exec, food service & franchising group
Barry M. Rowles, vp-group exec, intl group
Robert R. Weiss, vp-group exec, grocery products group
Joseph M. McGarry, vp communications & public affairs

Spirits Group

John A. Powers, senior vp-alcoholic beverages
Paul R. Dohl, group exec
Joseph E. Corr, Jr., vp-mktg
P.A. Papadopoulos, vp, product mgmt
W.C. Bennett, vp, admin & planning
G. William Seawright, vp-product devel

Wines Group

John A. Powers, senior vp-alcoholic beverages
Robert A. Martin, group exec
Robert M. Furek, vp-genl mgr, premium wines
Harold G. Spielberg, vp-genl mgr, standard wines

International Vintage Wine Co.

George T. Eisenberg, president
Barry T. Blake, vp-mktg & sales

Grocery Products Group

Robert R. Weiss, group exec
R.B. Schlossberg, vp-mktg
P.W. Lammonia, mktg director, foodservice

International Group

Barry Rowles, group exec
Gerald McNamara, senior vp-beverages
Thomas Frank, senior vp-food

Food Service & Franchising Group

Michael A. Miles, group exec
William A. Ready, president, Kentucky Fried Chicken
Richard P. Mayer, president, Food Services Management Co.
Donald E. Doyle, vp-mktg

Zantigo Restaurants

Harry Lavo, president

ADVERTISING AGENCIES

Marschalk Co., New York—consumer products adv: A.1. steak sauce, Grey Poupon Dijon mustard, Regina wine vinegars and cooking wines, Snap-E-Tom tomato cocktail, Ortega Mexican foods (tacos, chiles, beans and sauces). J. Johnson, senior vp, mgmt service director Michael Krugman, vp, acct super, sauces and condiments; Peter Balint, vp, acct super, Ortega Mexican Foods; Frank Mangan, acct super, new products.

McCann-Erickson, New York—Heublein cocktails, The Club cocktails; Don Q. Puerto Rican rum; Lancers Rose, Vinho Branco and Rubeo imported table wines; Kiku Sake. Michael Sennot, Stephan Norcia mgmt supers.

Tinker, Campbell-Ewald, New York—Smirnoff vodka; Smirnoff Silver vodka, Smirnoff de Czar Special Reserve vodka; Yukon Jack Canadian liqueur; Boggs Cranberry liqueur; Relska vodka; Popov vodka; Vaklova imported liqueur; Arrow cordials; Beaulieu Vineyard wines. John Dauer, acct super.

F. William Free & Co., New York—Jose Cuervo tequila; Black Velvet Canadian; Black & White scotch; Matador tequila; McMasters Scotch and McMaster's Canadian; Malcolm Hereford's Cows; Irish Mist imported liqueur; Jeremiah Weed bourbon liqueur. F. William Free, chairman.

D'Arcy-MacManus & Masius, New York—Harveys Bristol Cream, Harveys other ports and sherries. A.J. Roby acct super.

UniWorld, Inc., New York—Smirnoff vodka ethnic advertising; Harveys Bristol Cream ethnic advertising. Byron E. Lewis, president.

Castor Spanish International, New York—Smirnoff vodka; Don Q. Puerto Rican rum; Jose Cuervo tequila; Black Velvet Canadian. Castor Fernandez, president.

Noble y Asociados, Newport Beach, Cal.—Spanish-language consumer products advertising. Richard Dillon, president.

Charnas Advertising, East Hartford, Conn.—retail grocery trade advertising. Robert Charnas, president.

Ketchum, MacLeod & Grove, Houston, Texas—grocery products food service advertising. Lance Goodwin, senior vp, mgmt super.

Tinker, Campbell-Ewald, New York—KFC company-owned outlets. Brian Stapen, acct super.

McCann-Erickson, San Francisco—Inglenook, Annie Green Springs, Colony, T.J. Swann and Jacare wines. Ralph Usina, mgmt super.

Young & Rubicam, New York—KFC national co-op adv. John P McGarry, senior vp, mgmt super.

Mingo Jones Guilmenot, New York—KFC company-owned black media (New York City). Bennie F. Giles III, acct super.

SIX ANCIENT MACHINES.
AND ONE NEW ONE.
IBM

IBM's greatest measured media expenditure went to back its computer services. Spending in this category was up 40% from 1978.

International Business Machines Corp.

	1979	1978
Sales	$22,862,600,000	$21,076,089,000
Earnings	3,011,259,000	3,110,568,000
Advertising	31,073,800	24,259,600

International Business Machines Corp., Armonk, N.Y., the 99th largest advertiser, boosted ad expenditures 28% in 1979 from $24,259,600 to $31,073,800.

The company reported $22.9 billion in worldwide sales in 1979, up 8% from $21.1 billion in 1978. Earnings, however, dropped slightly to $3,011,259,000. Foreign operations brought in $12.2 billion in 1979, up from $11.0 billion the year before.

■ IBM primarily leases and sells information handling systems, equipment and services. Major products include data processing machines and systems, information processors, office systems, electric and electronic typewriters, copiers, dictation equipment, educational and testing material and related supplies and services.

IBM achieved approximately 80% of its gross income in 1979 from its data processing segment—66% from equipment sales rentals and services and 14% from maintenance contracts, program products and supplies. The office products segment contributed 17% of gross income, and all other operations brought in approximately 3%.

1979 for IBM was a year in which the giant marketer experienced the sweet pain of success. Following the long-awaited January introduction of the 4300 series of medium-scale computers, the company saw a rash of orders that some industry experts estimated would take longer than the computer's lifespan to fill.

■ The 4300 was said by industry analysts to offer up to eight times the computing performance for close to the same cost of the 370 line of computers they were designed to replace.

Not only did its introduction spur smaller companies to lease rather than buy less current equipment while awaiting delivery, but it encouraged larger companies to lease rather than buy in the anticipation that IBM would come out with something as appealing for their needs in the near future.

This trend toward leasing and away from purchasing accounts partially for IBM's 3% earnings drop—its first year-to-year decline reported in 20 years. Gross income for rentals and services rose 8.7%.

In other major new product introductions, the office products division brought out its 6670 information distributor, promptly labeled the "intelligent printer" by the industry. The machine performs ordinary office functions such as copying and printing and has the ability to communicate with computers and terminals at a distance.

■ The General Systems division introduced the 5520 administrative system which combines advanced text processing with electronic document distribution.

Other product innovations included a color display station and printer, processing capacity in Chinese and Japanese and various other computer terminal products.

1979 was extremely active for IBM on the agency front. In separate moves, the company shifted its estimated $2,000,000 corporate print account from Geer, DuBois

MARKETING PROFILES

to Lord, Geller, Federico, Einstein, and late in the year its approximately $11,000,000 corporate television account from Conahay & Lyon to Doyle Dane Bernbach.

In late '79, the general systems division also split with Geer, DuBois, assigning its estimated $4,000,000 account to Leber Katz Partners in March, 1980. In October, 1979, the World Trade Americas/Far East division moved its business from Compton to Marschalk. In February, 1979, Doyle Dane Bernbach was awarded the $5,000,000 office products division account, resigned by Ally & Gargano late in December, 1978.

IBM's greatest measured media expenditure went to back its computer services, for which it spent $8,906,700, up 40% from $6,323,400 in 1978. Close to 90% of that figure was spent on network tv in both '78 and '79.

Measured media expenditures on corporate general promotion declined from $6,135,400 to $2,993,800. In 1979, IBM sponsored tv specials "Einstein's Universe," "The Miracle Worker" and the "Movies to Remember" series. In 1980, corporate sponsored a special on Baryshnikov and partially sponsored a special on Picasso. Both agencies ran tune-in print ads promoting IBM's specials sponsorship in major newspapers.

A new corporate print campaign in magazines and major newspapers was also launched.

■ The data processing division, the one unit remaining at Geer, DuBois, saw a new campaign launched in business publications in the spring of 1979, with the theme, "The way we put it all together is what sets us apart." Measured media spending for the division's general promotion rose from $236,300 to $1,380,300.

The office products division, via new agency Doyle Dane Bernbach, signed George Burns as spokesman and in September launched a network tv campaign touting the ease of use and quality of its Series III copier. A national print push, also featuring Mr. Burns, followed in April, 1980. Also advertising the Series III copier was a "copycat" magazine effort launched in November, 1979.

1979 also saw a heavy direct mail campaign from the office products division featuring detailed product information and encouraging customers to contact IBM for more information or demonstrations.

Measured media support of electronic typewriters declined 37% from $1,372,800 to $866,700, while backing on Selectric typewriters, including the introduction of the 75, climbed 32% to $1,909,700 from $1,449,300.

Science Research Associates' budget remained relatively stable from 1978 to 1979 at approximately $420,000. However, slightly more muscle was put behind card file collection and less behind learning aids in 1979.

■ Also in 1979, the company began to advertise its data recording products and dictating equipment with about $167,000 worth of magazine ads each.

The company upped its over-all spending on printers to $1,092,400, and office systems were backed with $2,151,100 in measured media.

In September, 1979, IBM and MCA entered into a joint venture to develop, manufacture and market videodiscs and videodisc players, known as DiscoVision Associates.

1979 marked the tenth anniversary of the Department of Justice's antitrust complaint charging IBM with monopolizing commerce in general purpose digital computers in the U.S.

Another suit, filed in 1969 by the Greyhound Computer Corp., is in the pretrial discovery stage for a second trial. An earlier judgment favored IBM, but a 1977 U.S. Court of Appeals decision granted Grey's petition for retrial.

Six other lawsuits alleging antitrust violations remain in progress.

In March, 1979, Robert Fondiller, head of Fondiller Radio Corp. and Management Consultants, New York, filed a patent infringement suit in a New York district court accusing IBM of infringing on his 1966 patent for a "typewriter erasure mechanism" used in Selectric typewriters. The suit was settled out of court.

Also in 1979, Thomas J. Watson Jr. resigned from the board to become U.S. Ambassador to the Soviet Union. Mr. Watson was a board member for more than 32 years and chief exec for 15.

Developments in 1980 included the introduction of a new group of 4331 processor models offering twice the internal performance and up to four times the storage capacity of the original 4331 models.

■ In June, 1980, various divisions introduced a Displaywriter low-cost desktop text processing system, a distributed office system which enables word and data processing applications to operate concurrently on the data processing division's new 8100 Information System, and additions to the 5520 administrative system which includes files processing with arithmetic functions.

Also in 1980, the instrument systems unit was made a formal subsidiary, IBM Instruments Inc., and IBM bought interests in the Bruker and Spectrodpin companies which produce and market analytical instruments. The new division named Muir Cornelius Moore, which handles sales promotion projects for several other units, its agency of record. The first ads for the division broke in vertical publications in June of this year.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$ 1,718,300	$ —
Magazines	4,930,200	7,280,600
Spot tv	902,600	205,100
Network tv	17,726,900	12,519,400
Network radio	774,900	239,000
Outdoor	20,900	15,500
Total measured	26,073,800	20,259,600
Unmeasured	5,000,000	4,000,000
Estimated total	31,073,800	24,259,600

IBM CORPORATE

MARKETING PERSONNEL

F.G. Rodgers, vp-marketing
G. G. Francis, director, adv

ADVERTISING AGENCIES

Lord, Geller, Federico, Einstein, New York—print, radio—Richard H. Pell, acct super.

Doyle Dane Bernbach, New York—tv—Patricia Hennebry.

IBM DATA PROCESSING DIVISION

ADVERTISING AGENCY

Geer, DuBois, New York—John Allen, acct super.

IBM DATA PROCESSING PRODUCT GROUP

ADVERTISING AGENCY

Muir Cornelius Moore—project basis only, sales promo—Hil Leibe, acct super.

IBM OFFICE PRODUCTS DIVISION

ADVERTISING AGENCY

Doyle Dane Bernbach, New York—Nancy Wiese, acct super.

IBM FEDERAL SYSTEMS DIVISION

ADVERTISING AGENCY

Marsteller Inc., New York—James Waechter, mgmt super.

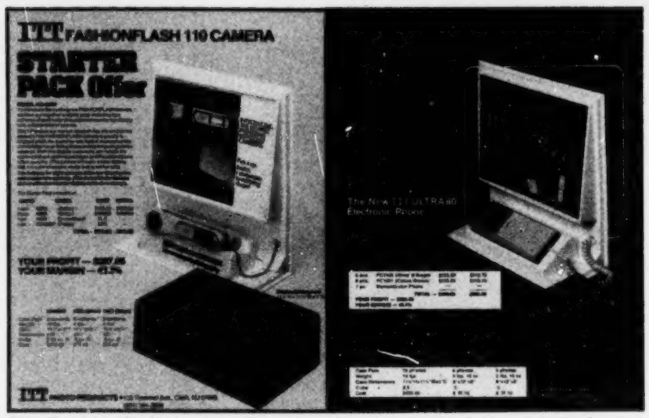
IBM INFORMATION RECORDS DIVISION

ADVERTISING AGENCIES

Richardson, Thomas & Bushman, Fort Washington, Pa.—collateral—Arthur Boyle, acct super.

Conahay & Lyon, New York—Vicki Johnson, acct super.

Tatham-Laird & Kudner, New York—direct marketing—Jill Eenigenburg, acct super.


ITT FASHIONFLASH 110 CAMERA
STARTER PACK Offer
ITT
The New ITT ULTRA 80 Electronic Phone

The Fashionflash camera "hands on" p.o.p. display has generated many impulse buys so far, according to ITT, taking the product national this fall. ITT also is using p.o.p. for the Ultra 80 phone.

IBM SCIENCE RESEARCH ASSOCIATES

ADVERTISING AGENCY

Tatham-Laird & Kudner, New York—Robert Gordon, acct super.

IBM GENERAL SYSTEMS DIVISION

ADVERTISING AGENCIES

Leber Katz Partners, New York—Sam Eisnitz, mgmt super.

Muir Cornelius Moore, New York—sales promo—Hil Liebe, acct super.

IBM INSTRUMENTS

ADVERTISING AGENCY

Muir Cornelius Moore, New York—John Friedberg, acct super.

IBM WORLD TRADE AMERICAS/FAR EAST

ADVERTISING AGENCY

The Marschalk Co., New York—Paul Marrocco, acct super.

International Telephone & Telegraph Corp.

	1979	1978
Sales*	$17,197,423,000	$15,261,178,000
Earnings*	380,685,000	661,807,000
Advertising*	132,400,000	122,700,000

*U.S. only

International Telephone & Telegraph Corp., the 32nd largest national advertiser, boosted its U.S. ad spending by almost 8% in 1979 to an estimated $132,400,000.

Global ad expenditures topped the $200,000,000 mark last year, according to ITT, which allocated about $185,000,000 worldwide in 1978.

Worldwide, sales were up $2.6 billion to $22 billion. Gains were posted by the five ITT business groups—telecommunications/-electronics, which hit $6.3 billion last year; engineered products, $5.8 billion; consumer products and services, $3.7 billion; natural resources, $1.3 billion, and insurance/finance, nearly $4.8 billion.

After the 1980 first-quarter results were in, ITT singled out O.M. Scott & Sons and Sheraton Hotels as leading the consumer group to the company's largest income gain in that quarter. Income also was lifted by the sale of its French cosmetics business, ITT noted.

Adversely affected mainly by foreign exchange translations, ITT's second-quarter earnings fell 59.3% to $64,500,000, as revenues grew to $5.9 billion from $5.35 billion. For the 1980 first half, ITT's net income gained 11.4% to $411,000,000, and sales rose 10.7% to $11.4 billion.

■ ITT Continental Baking Co. brands, as usual, accounted for the bulk of ITT's ad/promotion spending. Products bearing the Hostess name were backed with $9,662,000 in measured spending alone. Although ITT Continental Baking enjoyed a record sales year in 1979, income fell below 1978 levels "due to higher ingredient, labor and energy costs and new product development."

Continental was followed by O.M. Scott & Sons products, with more than $7,100,000 in ad expenditures; the Sheraton hotel operations, $5,715,000; Home Pride bread, $5,573,000; Wonder bread and other baked goods, $5,101,000; ITT corporate, $5,000,000-plus and Hostess cakes, $4,000,000 plus.

The baking subsidiary's Wonder bread, along with General Foods and others, will be staging a multimedia "Fun 'n Fitness" promotion this fall, enabling schools to obtain athletic equipment via proof of purchase points.

■ The Hartford, ITT's insurance unit, put $2,770,000 or so into measured media in '79, while C&C cola got $2,194,000 in support; Morton products, $2,000,000-plus, and Fresh Horizons bread, $1,380,000.

Besides the food products mentioned above, which all received $1,000,000 or more in measured advertising, the company supported ITT Gwaltney meat products with $625,000 in measured media, Fresh & Natural bread with $523,000, Continental Kitchens' Flavor Seal entrees in retort pouches with $431,000, Town Talk bakery products with $394,000, Braun's bread with $317,000 and Roman Meal bread with $117,000.

The Morton division completed its national expansion of Great Little Desserts last year with $3,000,000 in media and consumer promotion efforts. Morton, which claims to be No. 1 in the frozen dessert pie category, also introduced main course King Size dinners to all major markets and expanded its new family-size and single-service entrees, both supported with local couponing in newspapers.

Donut Holes began national introduction after more than a year in test. Earlier this year, Morton began testing Big Crunch frozen fried chicken, with pieces "bigger than the leading fried chicken."

Cantrell & Cochrane's C&C cola received more than $2,000,000 in measured media support in 1979, when the brand expanded its East Coast market list to include Florida and Boston. In California, C&C attained a "highly successful" introduction, claiming a 7% market share. C&C advertising continues to stress that it "tastes great and costs less."

■ O.M. Scott & Sons put its heaviest allocation behind Scott's Turf Builder lawn fertilizer ($3,400,000). W. Atlee Burpee Co., largest direct marketer of flower and vegetable seeds to the consumer, was acquired from General Foods last year and is "an excellent complement to Scott's basic lawn products business," according to ITT.

Scott said the key to its marketing program remained its "Lawn Care" magazine, mailed to 2,000,000 homes annually, and its telephone hotline, which handles 80,000 toll-free consumer calls yearly.

Scott successfully tested a computerized Custom Lawn Care Program in several markets and went national with its Grow Flower fertilizer. The Grow tv spot showed flowers "exploding" into bloom to firecracker accompaniment.

In spring, 1980, Scott ran an $8,000,000 multiproduct advertising and promotion effort to retain its leadership in the estimated $200,000,000 lawn care market.

Sheraton Hotels, meanwhile, added 20 properties (including 10 in North America) to its network of 400 owned, managed or franchised hotels and inns.

Last November, C&C was added to the Doyle Dane Bernbach account roster when DDB acquired C&C's agency, Catalano & Gornick, New York. DDB, which has handled ITT's Scott operations since 1971, estimated C&C's total billings in the $4,000,000 range.

ITT has had disappointing results with the U.S. introductions of European cosmetics products. The company, which pulled the Rimmel cosmetics line in 1978 after two years on the U.S. market, sold the Pavlova and Payot toiletries products to the 4711 Co., but not before sinking more than $367,000 in the two lines in their last year with ITT.

In the consumer electronics field, ITT reported that its European operation suffered "deepening losses" last year due to intensified competition and price cutting. In the U.S., ITT introduced Ultra 80 as a one-piece electronic phone and Fashionflash, a 110 pocket camera with a hand-fitting shape and fashion colors.

■ Fashionflash was introduced to consumers in four markets via women's, teen and fashion publication ads, with ITT planning national rollout in the autumn advertising that will include a "hands on" p.o.p. display with a working camera. Ultra 80 will be promoted in the third and final quarters with a spot tv campaign. Both efforts are being handled by Hicks & Greist, New York, which is the agency for ITT Consumer Specialty Products (encompassing both the personal communications and photo products units).

Within ITT's telecommunications/electronics segment, the company poured more than $560,000 into measured media to back ITT World Communications and its System 12 digital switching equipment. ITT, which entered the U.S. retail phone market in 1978, with custom-designed, decorator and futuristic phones, spent $400,000-plus to promote the Own-A-Phone line last year.

ITT Electronic Travel Services, formed last year, handles computerized multi-access reservation services (or MARS) for participating travel agencies, hotels, airlines, car rental agencies and the like.

■ The company also said it will continue efforts this year "to become a substantially more important supplier of telecommunications equipment to General Telephone & Electronics," under a pact signed in late 1978.

Under a February '80 agreement, it will also supply AT&T with up to $2 billion of telecommunications products or services over the next 10 years, including System 12 phone switching equipment. The latter pact actually represents a settlement of a Bell-ITT antitrust action.

As for ITT's insurance operations, which number 11,000,000 customers among individuals and companies worldwide, the Hartford was the chief advertiser by far. Business insurance accounted for the bulk of its measured media budget, with $1,760,000.

On network tv, the Hartford continued using the live stag symbol in commercials that ran within

ABC's "Roots: The Next Generations," CBS' "Emmy Awards," NBC's "The Kid from Left Field" and "A Bridge Too Far."

▪ The engineered products and natural resources groups accounted for relatively little ad spending. Chief among these was ITT Rayonier (under the natural resources heading), which spent more than $540,000 in spot tv, trade magazines and out-of-home media. Halston was featured as spokesman for the Rayonier campaign, seeking to reestablish rayon's advantages and importance as a fashionable textile fiber produced from renewable resources.

ITT publishing operations spent over $600,000 in media advertising last year, with most of that going to Bobbs-Merrill and Audel Books. The Bobbs-Merrill company reported a substantial increase in the number of licensees as well as brisk retail sales of previously licensed merchandise following the telecast of three prime time hours of Raggedy Ann & Andy programing in the fourth quarter.

On the executive front, ITT's Harold Geneen stepped down as chairman at the end of last year and was succeeded by Rand Araskog, who had advanced from senior exec vp to president-chief operating officer a year ago when Lyman Hamilton was suddenly dismissed due to "policy disagreements" with the ITT board.

The main activity on the agency front this year has been ITT Continental Baking's agency review for Wonder bread. The marketer in March had asked Bates, Grey and Doyle Dane Bernbach for input on a Wonder bread project, but decided in August to keep the Wonder billings at Bates.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$ 2,592,000	$ 1,276,800
Magazines	7,131,300	7,568,900
Spot tv	31,359,600	28,734,500
Network tv	15,851,400	16,945,400
Spot radio	1,004,800	842,500
Network radio	194,800	141,100
Outdoor	547,600	479,900
Total measured	58,681,500	55,989,100
Unmeasured	73,718,500	66,710,900
Estimated total	132,400,000	122,700,000

CORPORATE MARKETING PERSONNEL

E.J. Gerrity Jr., senior vp-director, corporate relations/adv
J.L. Lowden, vp-deputy director, corporate relations/adv
J.P. Jannuzzo, director, adv/sales promo
T.J. Connolly, director, special events/activities
R.A. Cronenwett, mgr, consumer adv/sales promo services
H.J. Taggart, mgr, special projects, adv/sales promo
M.B. Clifford, mgr, sales promo services

ADVERTISING AGENCIES

Needham, Harper & Steers, New York—corporate—B. Biederman, vp-mgmt super; J. Mason, D. Bigelow, vp-acct supers; D. Maripolsky, acct exec.

D'Arcy-MacManus & Masius, New York/-Chicago—data equipment and systems, pumps, wire and cable, intl communications—F. Harvey, vp-mgmt super; D. Bray, acct exec.

Fritchman Associates, Ridgefield, Conn.—telephone directories—B. Fritchman, mgmt super.

Deutsch, Shea & Evans, New York—corporate recruitment adv—J. Crawford, acct super.

ITT CONTINENTAL BAKING CO.

Rye, N.Y.

MARKETING PERSONNEL

Robert M. Morrow, vp-director of mktg and development
John L. Bates, vp-director of mktg
David S. Kravis, mktg associate
Jesse S. Weiss, director of mktg rsch
Jerry J. Armer, mgr of mktg rsch

BAKERY DIVISION

MARKETING PERSONNEL

Rudy R. Norris, vp-director of mktg
Sue Herrick, director of bread mktg
Jeff Krulwich, senior product mgr
Derek Cohn, product mgr
Jerry Morano, product mgr
Paula Luftglass, associate product mgr
Doug Jackson, director of cake mktg
Mark Dirkes, senior product mgr
Wyn Achenbaum, product mgr
Dave Cooper, product mgr
Jean Taplett, product mgr
Anna Zgorska, director of media and budgets
Jeanne Sinnott, media coordinator
Frank Sessa, mgr, graphics and design

ADVERTISING AGENCIES

Ted Bates & Co., New York—Wonder and Home Pride breads, Hostess snacks, Fresh Horizons bread—R. Bruns, exec vp-client services; P.T. Colonel, mgmt rep; H.C. Crowley, acct director; J. Ellington, A.L. Krinsky, acct supers; T. Pulton, S. Glaser, J. Wood, acct execs; J. McMahon, merch super.

Grey Advertising, New York—Braun Baking, Beefsteak Rye, Fresh & Natural bread—R. Schoenfein, exec vp; L. Geiger, mgmt super; F. J. Lee Jr., account super; B. Freitas, acct exec.

MORTON DIVISION

MARKETING PERSONNEL

W.A. Fowle, senior vp-director of branded prods.
J.M. Lowrie, vp-director, retail mktg
W.T. Gildea, director, new products
E.M. Boyle, group product mgr, main course
W.A. Masselli, group product mgr, special projects
R.A. Wilock, group product mgr, sweet goods
T.L. Cassman, senior product mgr, main course
R. Friedman, senior product mgr, desserts
F.W. Hurt, senior product mgr, new products
A.M. Minicozzi, product mgr, main course
W.J. Schroer, product mgr, new products

ADVERTISING AGENCY

Grey Advertising, New York—R. Schoenfein, exec vp; L. Geiger, vp-mgmt super; D. Hutnick, acct super; B. Martin, acct exec.

GWALTNEY DIVISION

MARKETING PERSONNEL

James Murray, vp-sales and mktg
Paul Nelson, director of mktg

ADVERTISING AGENCY

D'Arcy-MacManus & Masius, New York—M. Cooper, vp-mgmt super; J. Byrne, acct super.

CANTRELL & COCHRANE

MARKETING PERSONNEL

Thomas Bonafair, exec vp
Hal Sieling, vp-mktg

ADVERTISING AGENCY

Doyle Dane Bernbach, New York—J. W. Stein, senior vp; K.M. Smith, vp.

CONTINENTAL KITCHENS

MARKETING PERSONNEL

R. Knel, director of mktg

ADVERTISING AGENCY

Ted Bates & Co., New York—G. Boyle, senior vp-mgmt super.

ITT CONSUMER SPECIALTY PRODUCTS

MARKETING PERSONNEL

Lou Gervolino, vp-mktg
J. May, director of adv & sales promo

ADVERTISING AGENCY

Hicks & Greist, New York—photo products, retail telephones—R. Selden, senior vp-acct director; H. Meyer, acct exec.

THE HARTFORD

MARKETING PERSONNEL

R. Dove, senior vp-corporate relations
W. Sanderson, secretary-director of sales promo
R. Taube, secretary-director of adv
R. Burnham, director of adv services

ADVERTISING AGENCY

McCaffrey & McCall, New York—corporate adv—B. Sherman, senior vp-acct super.

SHERATON CORP.

MARKETING PERSONNEL

S. Front, senior vp-director mktg
R. Quinn, director of adv

ADVERTISING AGENCIES

Creamer Inc., New York—domestic adv—S. Levitz, exec vp-mgmt super; S. Godsick, vp-acct super; S. Secor, acct exec.

Compton Advertising, New York—intl adv—R. Lands, senior vp; P. Hauck, acct super.

O.M. SCOTT & SONS

MARKETING PERSONNEL

R. Donnelly, vp-mktg & sales
J. Sebastian, director-retail mktg
R. Bergman, director-new business
B. Ford, director-export & mktg services
D. Doyle, director-Burpee retail mktg
M. Kostrzewa, mktg mgr-east & central mkts
R. Rinehart, mktg mgr-western & southern mkts
R. Haller, mktg mgr-seed & mechanicals
W. Englehart, natl sales mgr

ADVERTISING AGENCIES

Doyle Dane Bernbach, New York—lawn care products—A. Kopelman, senior group vp; H. Scutt, vp-mgmt super; W. Cuff, acct super; J. Davidson, R. Nadilo, acct execs.

Kight-Cowman-Abram, Columbus, O.—ProTurf—S. Christie, vp-acct services.

ITT RAYONIER

MARKETING PERSONNEL

J. Gregoire, vp-director, corporate relations
C. Singley, adv director

ADVERTISING AGENCY

Ross Roy NY/Compton Inc., New York—papermaking pulps, wood chemicals, rayon—H. Warden, mgmt super.

LAPEL PINS
Fund-raising, Give-Aways, Membership Drives, Convention Swaps
YOUR DESIGN molded in 3 dimensions, rich colors. Pin or Clutch Back, Golf Ball Markers, Push Pins, etc. 1¢ to 14¢ ea. (min. 1000) plus 1-time mold charge. Free literature and samples. Distributor inquiries invited.
KNOBBY KRAFTERS 202 N. Main
P.O. Box 300, Attleboro, Mass. 02703
Phone (617) 222-7272

Johnson & Johnson

	1979	1978
Sales*	$2,372,128,000	$1,991,307,000
Earnings*	172,346,000	144,330,000
Advertising†	157,700,000	134,000,000

*U.S. only
† AA estimated

Johnson & Johnson, New Brunswick, N.J., the 25th largest national advertiser, is estimated to have increased U.S. advertising 17.7% to $157,700,000 in 1979, a year when J&J's Tylenol analgesic topped Crest toothpaste, for the first time, as the largest-selling health and beauty aid in drugstores, food stores and mass-merchandise outlets.

■ Worldwide advertising for J&J climbed 16.6% to $196,795,000 in 1979, up from $168,736,000 in 1978. Sales of consumer products (43.4% of J&J worldwide sales) increased 17.7% to $1.8 billion in 1979, compared with $1.5 billion in '78.

U.S. sales rose 19.1% to $2.37 billion, with earnings up 19.4% to $172,346,000. U.S. sales for the first three months of 1980 were up 5.6% over the same period in 1979, while earnings were up 7.2%.

■ Worldwide sales and earnings for 1979 set new records as sales increased 20.4% to $4.2 billion and earnings rose 17.7% to $352,060,000. For the first three months of 1980, worldwide sales were up 11.6%, and earnings were up 16.4% over the comparable period in 1979.

While J&J operates as a group of decentralized companies which manufacture and sell a broad range of products in health care and other areas, the company is primarily known to the consumer through its baby, drug and personal hygiene products.

Major brands include Johnson's disposable diapers, baby powder, oil and shampoo; Tylenol analgesic; Stayfree, Carefree and 'o.b.' feminine hygiene products; Band-Aid adhesive bandages; Reach toothbrushes, and Conceptrol, Delfen and Ortho contraceptive products.

■ J&J channels most of its media dollars into network television, which received 78% in 1979, trailed by magazines (14.8%), spot tv (4.4%) and newspapers (2.5%).

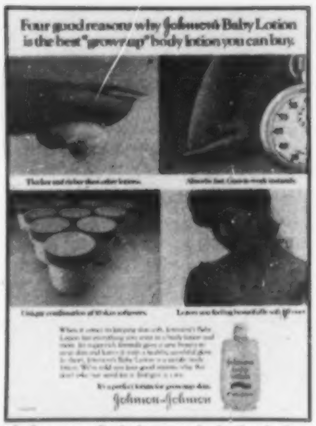
Measured ad support for McNeil's Tylenol brand (including Co-Tylenol) was $30,257,900, up a whopping 53% over '78. Spending of the analgesic was, for the first time, greater than for all baby products combined and accounted for 28.6% of J&J's total media dollar.

In addition to regular Tylenol tablets, which got $12,361,700 in measured support (all in tv), McNeil also markets Tylenol extra-strength tablets, capsules and liquid ($3,981,200); children's Tylenol tablets and drops ($2,630,100); Tylenol adult liquid pain reliever ($3,086,200); Tylenol sinus capsules ($6,000), and Co-Tylenol tablets and liquid in both adult and child strength ($6,724,900).

Tylenol, the leading analgesic, continues to add points to its market share, now up to 26%. It is followed by American Home Products' Anacin at 13%; Sterling Drug's Bayer line at 10%; Bristol-Myers' Bufferin at 9%, and Bristol-Myers' Excedrin at 7%.

■ Tylenol's meteoric rise in recent years has led to turmoil in the analgesic field, with charges of false advertising hurled back and forth among the leaders, both in the media and the courts.

A recent battle pitted McNeil against Whitehall Labs (American Home Products) in a J&J effort to halt Anacin advertising which claimed the brand offered anti-inflammatory action that nonaspirin pain relievers lacked. (Tylenol's antipain ingredient is acetaminophen.) In July, 1979, McNeil won a court victory when AHP was prohibited from making this claim unless it could come up with new medical documentation.


Four good reasons why Johnson's Baby Lotion is the best "grown-up" body lotion you can buy.
Johnson & Johnson

Johnson & Johnson's baby lotion advertised itself as a "grownup" body lotion.

■ When AHP introduced Maximum Strength Anacin that summer, J&J again went to court, this time charging false and misleading advertising which claimed the new Anacin entry "contains more of the pain reliever doctors recommend most," and that it is the "maximum strength allowed without prescription."

McNeil charged that the ads were deliberately ambiguous and based on the hope that consumers would not know that the "pain reliever doctors recommend most" is aspirin and would thus buy Maximum Strength Anacin because it supposedly contained "more pain reliever" than Extra Strength Tylenol.

Extra Strength Tylenol (the leader in the extra-strength category) contains the maximum amount of acetaminophen allowed. Despite this fact, research done for McNeil confirmed that many Extra Strength Tylenol users understood the ad to claim that Maximum Strength Anacin contained more pain reliever than Extra Strength Tylenol.

■ While Tylenol continues to prosper in the marketplace, acetaminophen has come under attack with a recent medical claim that the combination of alcohol and acetaminophen taken in excess can cause liver damage.

McNeil's entry in the sinus remedy market, Sine-Aid (with acetaminophen), garnered $2,656,100 in measured support (all in tv), and recently introduced sister product, Intensin extra-strength capsules, got $260,500 (all in magazines). Last fall McNeil tested a Tylenol extra-strength sinus capsule in several markets. Compton is the Tylenol agency.

Feminine hygiene products, including Stayfree mini and maxi pads, Carefree panty shields, Assure natural fit tampons and o.b. tampons (o.b. is distributed by the Health Care Division of J&J Products Inc.), received $24,300,000 in measured media support. Stayfree was the leader at $12,700,000 ($9,700,000 in tv, $3,000,000 in magazines), making it J&J's No. 2 brand spender after Tylenol.

J&J owns an estimated 55% of the U.S. sanitary napkin market with its top-selling Stayfree, plus Carefree ($3,933,800 in '79), and Modess (no recorded spending) brands. Of the total J&J share, Stayfree accounts for 45% and Modess, 8%. Stayfree super maxi pads were launched nationally last year as the first beltless sanitary napkins in the super size.

Another new "maxi" napkin, Sure & Natural maxishields, was recently introduced via CDS as being super thin, but providing "full-size protection." The same product had been introduced, just prior to the U.S. intro in Europe and South Africa under the Vespre and Serena brand names. Measured spending in the U.S. was $14,400 in 1979.

■ When Sure & Natural was launched, P&G filed suit claiming that the name was an infringement on its Sure deodorant trademark and that it has marketed Sure tampons since 1964. But in January of this year, a U.S. district court judge in New York ruled in favor of J&J, claiming P&G's trademark lacked "originality and uniqueness." The judge also upheld J&J's right to retain Assure as a brand name for its new tampon despite P&G claims that it, too, infringed upon the Sure brand name and that P&G has its own Assure mouthwash and shampoo.

P&G's suit may have been an attempt to delay the introduction of Assure tampons in order to guarantee successful national rollout of its own Rely tampons. P&G has appealed the decision.

Assure deodorant tampon, still in test markets, is described as "the high-absorbancy tampon with a difference. It fits." Unlike J&J's o.b. tampon, which is digitally inserted, Assure has a tube applicator and a deodorant, making it directly competitive with market leaders Tampax and Playtex.

Some observers feel J&J missed the mark with o.b., whose market share potential is felt to be at most 10% and that new Assure, a more mainline entry, might stand a better chance. Ad support via SSC&B was measured at $429,700 for 1979, while established o.b. (via CDS) got $7,264,000.

Also in the Personal Products Co. is Shower to Shower deodorant body powder which received $1,073,300 in measured media support.

About 17% of J&J's ad dollar went to support baby products in 1979, way down from the 29% it got in 1978.

Of the approximately $18,000,000 spent, Johnson's disposable diapers got about $8,000,000 in measured support, down from the $9,300,000 spent in '78. In the past year, J&J's market share in this highly competitive market declined from 18% to 10%. Erosion of share is attributed to the growing success of elastic-leg disposables like Kimberly-Clark's Huggies (which went from 2.3% to 6% market share last year) and P&G's Luvs (which went from 3.5% to 6.5%).

The leader in this $1 billion-plus category, which was up 13.6% as of March, continues to be P&G's Pampers with 59%—though it, too, slipped from 61% a year earlier.

Despite the share drop and an operating loss, J&J is still committed to holding onto at least 10% of the huge business. The company does market an elastic-leg diaper in Mexico and, reportedly, Australia, but is not expected to introduce its product in the U.S. until it can offer an improved version.

■ Johnson's baby shampoo was the leading ad spender in the baby products group, garnering $8,524,400 in measured support (way up from the $5,545,200 spent in '78). Ads continued to aim at an expanded market, pitching to both male and female adult markets.

Johnson's baby powder got $5,774,400 in 1979, up a million from '78. Johnson's is the undisputed leader in the $70,000,000 baby powder market with an estimated 80%. Recently, however, talcum-based entries like its own have been subject to negative publicity in the form of "talcosis," an irritation of the lungs that results from the inhalation of talcum by infants.

J&J has recently entered the market with Johnson's Baby Corn Starch, a talc-free powder, with a campaign (via SSC&B) that stresses the naturalness of cornstarch and J&J's reputation for quality and purity.

Major competition is Sterling's Diaperene baby powder made with cornstarch, which is upping advertising as much as $2,000,000 this fall, in order to make known the results of a survey claiming that pediatricians prefer cornstarch, which has received no negative publicity, to talc. Some pediatricians, however, recommend against all powders.

■ Spending for Johnson's baby oil was up to $5,000,000 ($3,042,000 in '78), while baby lotion was up slightly to $1,049,000. This spring J&J tested a dry-skin formula lotion in a variety of markets with tv spots by KM&G.

Johnson's Baby Bath, a new mild skin cleanser for babies and adults, was offered nationally throughout the U.S., with measured support of $1,452,000 in tv and magazines.

Two other baby products in various stages of testing and introduction are Johnson's Baby Wash Cloths ($93,500 in '79) and J&J Playpath Playthings, infant development toys ($31,700 in '79).

In the health care division, big spenders (in addition to o.b. tampons), include Band-Aid bandages, which got $5,214,100 in '79 (up from $4,759,300). Band-Aid has been faced with an upscaled ad campaign by Colgate-Palmolive's Curad brand, which has increased its share by several points to 25%. Band-Aid still holds more than 50% of the market.

Reach toothbrushes (introduced in 1977), got $4,923,400 in measured support (75% in tv). Within 12 months of the product's introduction it became the No. 3 brand and was No. 1 in sales (ahead of Oral B) by the end of 1979. Reach introduced two new versions in 1979, a soft-bristle product and a brush for children.

J&J's Sundown sunscreen, which received $1,733,000 ($1,125,100 in tv, $198,300 in magazines and $9,600 in outdoor—the only J&J product to use outdoor), is up to a 21% market share, from 17% in early 1979. In the $150,000,000 suncare market, Sundown has overtaken Westwood Pharmaceutical's PreSun, which dominated suncreens in 1978 with a share of 33%, but now stands at 19%. Sundown this summer added a formula with a sun protection factor of 8, planning a highly visible national print campaign to appear in seven publications, in addition to traditional network tv buys. Y&R handles.

Advertising for Ortho's contraceptive products (Conceptrol cream and prophylactic shields, Delfen vaginal foam and Ortho lubricant) was up to $1,622,300 in magazines (up from $1,228,600 in '78), in a year when J&J extended vaginal contraceptive distribution into nondrug outlets.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$2,688,700	$2,016,800
Magazines	15,901,500	11,665,900
Farm publications	236,100	——
Spot tv	4,673,100	6,564,500
Network tv	83,736,100	64,979,100
Spot radio	151,500	808,300
Outdoor	9,600	——
Total measured	107,396,600	86,034,600*
Unmeasured	50,303,400	47,965,400*
Estimated total	157,700,000	134,000,000

*Restated

JOHNSON & JOHNSON PRODUCTS INC.

Health Care Division

MARKETING PERSONNEL

P.S. Fleming, vp, genl mgr
R.A. Wright, director, sales
C. L. Hodock, director, mktg rsch, new products
A. C. Rudy, J. Lyle, R. L. Townsend, product group directors

ADVERTISING AGENCIES

Young & Rubicam, New York—Bill Thompson, mgmt super—dental floss, new products, adhesive bandages.

CDS Advertising, New York—Neve Savage, mgmt super—tampons, toothbrushes, new products.

Kallir, Philips, Ross, New York—Lee Palmer, mgmt super—professional marketing programs.

PATIENT CARE DIVISION MARKETING PERSONNEL

P.J. Ventrella, vp & genl mgr.
C.F. Gordon, director, sales.
Open, director, product mgmt.
R. W. Bauer, mktg services mgr.
P. J. McIvor, mgr, communications.
P. D. Tukey, mgr, adv.
A. G. Miller, mgr, promo.
C. L. Mazzola, group product director, surgical care products.
J. T. Pavlic, group product director, professional use products.
E. W. Benecke, natl field sales mgr/surgical care products.
W. M. Mahar, natl field sales mgr/professional use products.

ADVERTISING AGENCY

Medical Education Dynamics, Woodbridge, N.J.

SPECIAL MARKETS DIVISION MARKETING PERSONNEL

W. E. Dorsett, vp, genl mgr.
R. E. Scott, director, govt mktg.
D. P. Owens, mgr, military sales.
J. A. Streed, director, athletic products.

ADVERTISING AGENCY

Cummins, MacFail & Nutry, Somerset, N.J.—G. MacFail, president.

JOHNSON & JOHNSON BABY PRODUCTS CO.

Piscataway, N.J.

MARKETING PERSONNEL

P. M. Lonergan, vp, genl mgr. toiletries
E. West, vp, genl mgr, disposables
J. T. Dettre, director of mktg services
E. M. Selquist, A. P. Sullivan, natl sales mgrs
W. R. Lipsky, W. H. Bortree, C. E. LaRosa, D. L. Radeke, J. M. Tassie, product group directors
T. F. Gorman, consumer rsch director
M. S. Fink, B. L. Goldblatt, asst consumer rsch directors
S. P. Seiden, product director, baby shampoo
C. J. Johnson, product director, disposable diapers
R. M. McNealy, product director, baby powder
N. A. Lavritano, product director, baby lotion, cream
L. Lenahan, product director, swabs
P. Soderberg, product director, baby soap, baby bath
A. Verde, C. Frazier, product directors, new products
W. T. Begina, product director, baby oil
R. M. Irvine, product director, diaper liners, nursing pads
P. P. Nilles, product director, medical mktg & sales
D. J. Scholes, product director, professional products
S. Sawchuk, medical services director

ADVERTISING AGENCIES

SSC&B, New York—shampoo, disposables—Barry Ofstedal, mgmt; Dick Lanley, Glen C. Phillips, acct supers.

Young & Rubicam, New York—powder, lotion, oil—Jim Cobb, mgmt super; C. Ordonez, acct super.

Ketchum, MacLeod & Grove, New York—new products—J. Scowcroft, mgmt super.

McNEIL CONSUMER PRODUCTS CO.

MARKETING PERSONNEL

R. S. Larsen, vp, mktg
W. G. Lynch Jr., natl sales mgr
W. C. Egan, group product director
C. D. Simonds, group product director
H. S. Frieze, director, professional marketing
J. R. McGann, sales promo director
E. A. Behmer, director, communications
J. L. Strickler, mktg rsch director

ADVERTISING AGENCIES

Compton Advertising, New York—D. Dimmock, managing director; T. Lom, mgmt super; R. Hogan, acct super; W. Lydecker, J. Trombly, J. Sloan, acct execs

Kallir, Philips, Ross, New York—J. Racik, senior vp; G. Gotta, E. McCarren, acct execs.

McNEIL LABORATORIES

Fort Washington, Pa.

MARKETING PERSONNEL

Pharmaceutical Division

J. E. O'Brien, group vp
J. E. Smith, vp, mktg

ADVERTISING AGENCIES

Kallir, Philips, Ross, New York—Joe Castelli, acct super.

Sudler & Hennessey, New York—Bob Brancaccio, acct exec.

PERSONAL PRODUCTS CO.

Milltown, N.J.

MARKETING PERSONNEL

M. R. Hayes, president
J. R. Chiesa, vp, mktg
G. T. Root, director, product mgmt
D. P. Fraser, director, mktg rsch
A. C. Krupinski, director, consumer affairs
E. G. Chase, M. H. McGuire, C. S. Naiman, group product directors

ADVERTISING AGENCIES

Young & Rubicam, New York—Stayfree maxi-pads & mini-pads, Shower To Shower body powder—B. Thompson, mgmt super.

SSC&B, New York—Carefree panty shields, new products—P. LaStayo, mgmt super.

Cadwell, Davis & Savage, New York—Sure & Natural maxishields

JOHNSON & JOHNSON DENTAL PRODUCTS CO.

East Windsor, N.J.

MARKETING PERSONNEL

R. G. Gelbman, vp, mktg
B. L. Burnside, director, sales
M. E. Stein, director, worldwide business devel
R. F. Weldon, vp, intl business devel
S. R. Losa, director, new product devel
J. N. Doyle, group product director
G. Norante, W. B. Malone, J. H. Walter, product mgrs
M. B. Littlefield, mkt rsch mgr
C. Holmes, M. P. Reilly, product directors

Ceramco Inc.

O. A. Richardson, natl sales mgr.
J. R. Erb, product mgr.

ADVERTISING AGENCY

Kallir, Philips, Ross, New York.

ORTHO PHARMACEUTICAL CORP.

Raritan, N.J.

PHARMACEUTICAL MARKETING PERSONNEL

P. T. Tattle, vp, mktg
D. N. Longstreet, director, product mgmt

ADVERTISING AGENCY

Kallir, Philips, Ross, New York—John LaMare, contraceptives acct super; Ray Wilhelm, therapeutics acct super.

CONSUMER PRODUCTS DIVISION MARKETING PERSONNEL

R. B. Miller, genl mgr.
J. L. Abramson, director, mktg rsch.
D. B. Bellaire, director, new products.
J. T. Shaw, product director, vaginal contraceptives.

ADVERTISING AGENCIES

Kallir, Philips, Ross, New York—L. Palmer, G. Gotta, acct supers.

McCann-Erickson, New York—R. Costello, acct super.

DERMATOLOGICAL DIVISION MARKETING PERSONNEL

A. W. Roulston, vp
R. D. Bright, director of mktg
P. M. French, director, professional affairs
J. A. Jacobs, mgr, new product devel
T. H. Andrykovitz, D. R. Taylor, product directors
F. H. Kellogg, asst product mgr

ADVERTISING AGENCY

William Douglas McAdams, New York—W. Wolf, exec vp, H. Mandelbaum, vp.

ORTHO DIAGNOSTICS

Raritan, N. J.

MARKETING PERSONNEL

R. G. Nadeau, president
R. E. Karlson, vp, director of mktg
J. S. MacLean, director, clinical immunology products
N. C. Owen, director, hematology products
J. S. Wigand, director, clinical chemistry products
C. L. Wimbley, director, immunohematology products
C. H. Cox, sales director
J. P. Rowell, sales devel

ADVERTISING AGENCY

Summit Communications Inc., Chatham, N.J.

ORTHO INSTRUMENTS

Westwood, Mass.

MARKETING PERSONNEL

Rodney Raynovich, mktg mgr, clinical instruments
Fred A. Elliott, mktg mgr, rsch instruments

ADVERTISING AGENCY

Marketing Dimensions, Wellesley, Mass.

CELLULOSE PRODUCTS CORP.

Milltown, N.J.

MARKETING PERSONNEL

L. W. Bateman, vp, genl mgr.

CHICOPEE

New Brunswick, N.J.

MARKETING PERSONNEL

R. L. Bramson, vp, industrial textile div
C. A. Spalding, vp, converted products div
G. Chapman Jr., vp, affiliate div
R. I. Munoz, vp, Lumite, disposable diapers div

ADVERTISING AGENCIES

Pearson & Carchia, Edison, N.J.
Bozell & Jacobs, Union, N.J.

CODMAN & SHURTLEFF

Randolph, Mass.

MARKETING PERSONNEL

R. W. Black, vp, mktg
W. R. Krupp, dir, product mgmt

ADVERTISING AGENCY

Grover/Erickson/Durfee, Boston—C. Stuart Grover, acct exec.

DEVRO INC.

Somerville, N.J.

MARKETING PERSONNEL

J. P. Hall Jr., president
T. D. Jones, vp, mktg
R. J. O'Brien, vp, sales

ADVERTISING AGENCY

Keyes, Martin & Co., Springfield, N.J.

ETHICON INC.

Bridgewater, N.J.

MARKETING PERSONNEL

J. A. Lent, vp, mktg
L. J. Armour, vp, sales
R. M. McCaffrey, vp, product mgmt
F. R. Addis, mgr, adv & creative services

ADVERTISING AGENCY

Mel Richman Inc., Philadelphia—W. F. Robertson, acct super.

CRITIKON INC.

Tampa, Fla.

MARKETING PERSONNEL

Thomas E. Taylor, president
Marvin L. Woodall, exec vp, mktg
Daniel J. Genter, vp, sales

ADVERTISING AGENCY

Lewis & Gilman, Philadelphia.

PERMACEL

North Brunswick, N.J.

MARKETING PERSONNEL

R. G. Casarella, communications & adv mgr
W. L. DeNichols, business rsch mgr

PITMAN-MOORE

Washington Crossing, N.J.

MARKETING PERSONNEL

E. L. McConnell, vp-mktg
C. M. Roan, natl sales director
D. R. Arnold, mgr, surgical & specialty products
F. H. Gvillo, mgr, small animal products
J. L. Ditmore, mgr, large animal products

ADVERTISING AGENCY

The Brady Co., Milwaukee.

SURGIKOS

Arlington, Tex.

MARKETING PERSONNEL

T. M. Lane, president
F. G. Fitzpatrick, exec vp, mktg
J. D. Terry, vp, sales
F. P. Gage, vp, product devel
M. Smoler, director, mktg services
R. K. Gremp, director, new ventures & strategic planning

ADVERTISING AGENCIES

Hogan, Gazzara Assoc., N.J.
J. R. Druid Associates, N.Y.

S. C. Johnson & Son

	1979	1978
Sales*	**$650,000,000**	**$550,000,000**
Earnings	**$40,204,000**	**$43,903,400**

***Figures are U.S. only, estimated by AA**

S. C. Johnson & Son, Racine, Wis., was the 90th largest national advertiser in 1979. It is estimated to have reduced its ad spending about 8% in 1979, to $40,204,000.

According to figures supplied by S.C. Johnson & Son, the company increased its advertising expenditures 5.6% from $42,000,000 to $45,000,000.

Johnson is privately owned and does not reveal sales and earnings. Domestic sales for 1979 are estimated at approximately $650,000,000 by ADVERTISING AGE, up 18% from 1978. Total worldwide sales were close to $1 billion.

Founded in 1886 as a marketer of wood flooring, S. C. Johnson built its reputation on floor and furniture care products and subsequently branched into insecticides, automotive products, air fresheners, laundry products and other household cleaners.

In 1977, after detecting a decline in the growth rate of the household

1979 AD $ SUMMARY

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LNA

MARKETING PROFILES

products categories—they grew 5% in the '70s compared with 15% in the two preceding decades—the company demonstrated its commitment to personal care products by establishing a formal division in that category.

- With the exception of a $2,285,000 push behind the national introduction of Befresh! toilet bowl freshener and small increases in support of Future floor polish, Pledge furniture polish and Off!, insect repellent, measured media spending was down on every major brand in 1979.

Befresh!, which reached the No. 1 position during a year-long test in the Quad Cities, went national in early October. Slated for a $4,000,000 launch, Befresh! initially was available in early Spring, Sunny Lemon and Rose Garden scents.

- Also introduced in 1979 were two line extensions to Raid. Raid Solid Insect Strip was rolled out in time for the 1979 bug season and received $428,300 in support. Raid Indoor Fogger, a roach killer which releases a vapor with a fogging action, was moved out in the South in 1979 and nationally in 1980.

Early in 1979, the company moved approximately $9,000,000 worth of product billings to J. Walter Thompson Co., Chicago, from Benton & Bowles and Ogilvy & Mather, New York.

The switch, agreed upon mutually, was attributed to low billings and account conflicts in new product areas. Pledge, Edge shaving gel and Step Saver self-polishing floor wax all went to Thompson. Favor furniture polish and Klean 'n Shine furniture cleaner were not reassigned, and ad support was practically eliminated.

Johnson continued strong support for Agree creme rinse/conditioner, with measured media expenditures up from $3,247,000 to $3,555,400. However, after rising to the top of the hair conditioner category within six months of its 1977 introduction, the product fell back to No. 2 behind Revlon's Flex. Dollar share, once as high as 18% fell to about 14% in 1979. The product remained No. 1 in unit sales.

In mid-1980, Johnson introduced instant Enhance conditioner "for overworked hair," in what many interpreted as an attempt to regain some of Agree's share. Retailers were told $18,000,000 worth of promotional and ad support—$6,200,000 to media, $6,000,000 in sampling and couponing, and $5,800,000 for trade—would back the launch.

- Agree shampoo, introduced nationally in mid-1978, held a 5% dollar share in the $1 billion category after its first full year of distribution. This figure, down from its 6% share in 1978, is also considerably lower than the 8.6% share gained in test. The brand also fell from the No. 3 ranked shampoo to No. 4 as Johnson & Johnson's baby shampoo gained strength.

In 1979, measured media spending on Agree shampoo declined from $3,874,000 to $3,364,200. The company, which originally budgeted $8,500,000 on media for a one-year product launch, moved some of that support to promotions, adding to the $11,600,000 in sampling and $9,100,000 in trade earmarked for the introduction.

Johnson appeared satisfied with the Agree "helps stop the greasies" theme and continued to use it heavily on network tv and in magazines.

A relatively new household product which has not lived up to test market performance is Scrunge, a scouring pad/sponge. Tested during 1978, and rolled out nationally in October of that year, sales in its first year didn't meet expectations. Originally slated for $6,000,000 in ad support, the product received only $1,619,600 in 1979, down from $2,273,000 in 1978. Its 5% share presents little threat to Miles Laboratories' S.O.S. and Purex Industries' Brillo.

Overworked hair?
New Enhance Instant Hair Conditioner moisturizes overworked hair.

S.C. Johnson & Sons' Enhance is the company's newest entrant in the instant hair conditioner market.

Edge shaving gel, which moved into the No. 2 spot behind Gillette Foamy in 1978, solidified this position in 1979. Ad spending on Edge was down from $1,485,000 to $1,321,100, and support behind the medicated formula was discontinued.

In the floor care and furniture categories, Johnson maintained its leadership. Future floor finishing continued to improve its share, competing head on with Lehn & Fink's Mop & Glo. Spending on Future rose 12% from $2,795,400 to $3,132,600 due to what the company sees as increased competition and potential growth in the category. Step Saver's ad support was down 23% from $1,609,900 to $1,234,100.

- Pledge held steady with its 40% share of the furniture polish category. Spending, which had declined 20% in the previous year, to $4,668,800, was back up to $5,570,400.

As the leading marketer of insecticides and insect repellents, with its Off! line, Johnson saw its 80% share decrease several points, mainly due to competition from Cutter Laboratories' with its Cutter line. Ad spending declined from $845,700 to $607,900, with Off! towelettes receiving no backing after $664,900 in support in 1978.

Johnson's Raid line maintained its 50% share of the insecticides market, but measured media spending declined 23% from $5,990,200 to $4,982,800. Raid Roach tape's budget was sliced by more than half from $2,226,800 to $1,046,000.

Early in 1980, Johnson introduced Raid Crack and Crevice spray, designed to reach out of the way locations.

It appeared that Johnson was so certain of Glade's leading position in air fresheners that it reduced ad expenditures from $201,700 to a mere $600.

- Support for J. Wax car products also continued to plummet, with spending on the total line dropping from $1,610,500 to $665,400. The bulk of this cutback was felt by Car-Plate wax, whose ad budget was sliced from $1,125,000 to $325,000.

In other products, Johnson phased out advertising of its Glory Rug Cleaner and Rain Barrel fabric softener. It also reduced spending on its Shout spray stain remover from $2,000,000 to $1,743,500. However, in the spring of 1980, it introduced a liquid version which it said it would support with network tv and print.

Also early in 1980, the company rolled national with Complete, a pump-spray all purpose polishing cleaner. A $6,000,000 tv and magazine push reportedly was planned, positioning the product as an economy and convenience cleaner.

In another development, a $10,000,000 lawsuit brought against Johnson by Fedco Foam International, St. Louis, charging Scrunge infringed on a patent, was settled out of court.

Chief exec Samuel C. Johnson was named chairman and began an 18-month leave of absence. President William K. Eastman was elected president-chief exec, the first non-family member to hold the top spot.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$ 1,676,000	$ 1,120,100
Magazines	7,502,[illegible]00	9,254,300
Spot tv	4,155,[illegible]00	2,109,300
Network tv	18,490,900	20,548,600
Spot Radio	301,400	301,300
Network Radio	328,000	421,700
Outdoor	246,000	148,100
Total measured	32,704,000	33,903,400
Total unmeasured	7,500,000	10,000,000
Total	40,204,000	43,903,400

U.S. CONSUMER PRODUCTS

MARKETING PERSONNEL

L.R. Peterson, exec vp-U.S. consumer products
J.F. Keane, vp-U.S. consumer products mktg
G.W. Delp, vp-U.S. consumer products sales
A.B. Priemer, director, adv services
R.F. Chay, director mktg rsch
W.J. Walley, group products mgr-personal care prods
G.L. Konarske, group product mgr-laundry, rug care and air fresheners
T.L. Dahl, group product mgr-furniture and floor care
A.J.A. Brown, group product mgr-seasonal prod
L.J. Jackson, mgr-new products, personal care
C.M. Hardin, mgr-floor care
J.J. Castello, mgr-automotive products
D.D. Henry, Natl field sales mgr
Products mgrs: H.B. Beighley, J.F. Bleharski, C.L. Colman, J.D. Cuela, S.A. Danuser, D. Garrine, E.W. Gaskell, B.R. Groat, M.C. Habeck, J.C. Miao, C.K. Nitta, B.M. Pritchard, M.N. Redlin, J.O. Sherer, R.L. Sligh, C.W. Stevenson, C.R. Townsend, R.C. Vandriest
W.C. George, director, sales promo and devel

WORLDWIDE INNOCHEM OPERATIONS

MARKETING PERSONNEL

W.J. Shively, exec vp, Johnson Wax Associates and Worldwide Innochem Operations
S.A. Preston, vp & managing officer, Worldwide Innochem Operations
S.W. Cairns, vp & global director, specialty chemicals group
J.C. Moll, vp & managing director, commercial prods group-USA
F.C. Chud, director of mktg-commercial prod group-USA
R.F. Crowley, mgr-special markets devel
J. Thomson Jr., director-maintenance prod sales
D.E. Davis, nat sales mgr-maintenance prod
A.J. McMichael, director-U.S. specialty chemicals
J.C. Toone, natl sales mgr-U.S. specialty chemicals
J.A. Rizzo, mgr-mktg and admin services
R.J. McGray, E.M. Coyle, G.V. Laudato, B. Vora, W.E. Roehrick, mkt devel mgrs

OVERSEAS CONSUMER PRODUCTS

MARKETING PERSONNEL

R.F.Farley, exec vp-overseas consumer prods
R.J. Emens, overseas sales devel director
D.J. Avery, T.L. Beard, overseas sales devel mgr
T.R. Anderson, overseas mktg rsch dir
G.T. Talbot, overseas mktg rsch mgr

ADVERTISING AGENCIES

Foote, Cone & Belding, Chicago—Raid, Off!, Future, Scrunge, Glo-Coat, automotive, Rain Barrel—L. Balough, D. Fox, managing supers.

Needham, Harper & Steers, Chicago—Agree creme rinse/conditioner, Agree shampoo, Enhance, Glade—J. Black, acct super.

J. Walter Thompson Co., Chicago—Edge, Pledge, Step Saver—M. Kurz, J. Allman, acct supers.

Campbell-Mithun, Chicago—maintenance products, chemical specialty products, Porelon—J. Webster, acct super.

Andrews/Mautner, New York—military—N. Mautner, mgmt super.

K mart Corp.

	1979	1978
Sales	$12,731,145,000	$11,695,539,000
Earnings	357,999,000	343,706,000
Advertising	287,095,100	250,000,000

K mart Corp., Troy, Mich., the nation's second largest general merchandise retailer, continued to chip away at No. 1, ailing Sears, Roebuck & Co., as the company increased domestic ad spending 15% to $287,095,100, making it the country's sixth largest national advertiser.

Sales for the discount retailer moderated substantially in comparison to a series of robust years in which it had averaged 20% compounded annual growth. Sales in 1979 increased 8.9% to $12.7 billion, still a company record. Earnings, severely affected by inflationary costs which couldn't be passed along in the highly competitive retailing sector, edged up only 4.2% to $357,999,000. These modest increases contrast with a sales gain in 1978 of 17.6% and a profit increase of 15.4%.

The company's capital expansion activities, as in past years, were responsible for a good portion of K mart's sales growth. The retailer added 193 new stores while closing 18, bringing the total to 1,688 K marts, 296 Kresges and 85 Jupiters in the U.S., Canada and Puerto Rico.

The company has opened 523 stores in the past three years and at the close of 1979 it did business in 261 of the 275 Standard Metropolitan Statistical Areas, four markets more than in 1978.

- K mart also owns 20% of G.J. Coles & Coy Ltd., the largest Australian retailer which in turn owns 44 K mart stores, as well as 343 supermarkets and 176 variety stores. The equity interest added $12,500,000 to K mart's bottom line, more than double the $5,900,000 earned in 1978 on its 51% interest in K mart (Australia) Ltd. (That 51% interest was exchanged for 20% interest in Coles in December, 1978).

In the first quarter of 1980, sales rebounded near to the former growth curve, shooting up 14% to $2.98 billion, but earnings fell about 13%, reflecting skyrocketing inflation and interest costs.

Despite the short-term effects of a recession, the company's management predicts it will still hit the formerly projected goal of $20 billion in sales by the end of fiscal 1984, a figure that may come very close to Sears which, in 1979, suffered a sales decline, but nonetheless recorded $17.5 billion in net sales.

The company still holds to an ambitious expansion plan, with 1,300 more units on the drawing board for the new decade. Openings recently have focused on New England and the North Atlantic states, but the company is turning its attention now to other major urban areas.

In advertising, the company last year continued a policy set in 1977 to emphasize fashion and quality—not just low prices.

The bulk of K mart's advertising—about $250,000,000 of it—was unmeasured, consisting of newspaper preprint inserts (about 26 per year), Sunday magazine and run-of-press copy. Most advertising is prepared centrally and distributed to regional ad departments or individual stores which place it locally. In this way, the company maintains a firm hand over ad costs while ensuring continuity within the advertising.

play tough for school!

K mart advertised its Dyna Kids shoes as durable and economical.

- Measured media spending increased 10% to $37,095,100. The biggest media expenditure was for spot tv, which increased 8% to $16,281,600. The second largest line item was network tv which decreased 9% to $8,087,700.

Meanwhile, spot radio received the biggest increase—35%—to $5,731,600, while K mart's magazine expenditure jumped 30% to $5,164,300. Network radio was chopped by 25% to $1,799,700. Outdoor was boosted to $30,200 from $500.

- By category, housewares received the most measured media support, climbing to $9,031,000 from 1978's expenditure of $6,941,000. Automotive received $2,533,000; women's apparel, $3,328,900; men's apparel, $2,431,000; family apparel, $2,468,700, and children's apparel, $615,000.

In March, 1980, K mart began a program to reach out to the Hispanic market with a $200,000 tv drive with a Spanish voiceover on the Spanish International Network. The eight test markets for the campaign were Los Angeles, Fresno, El Centro, San Antonio, El Paso, Albuquerque, Phoenix and San Diego.

In other business developments, K mart earlier this year completed the purchase of Furr's Cafeterias Inc., a chain of 76 cafeterias in the Southwest.

And in an attempt to test the waters of the grocery business, K mart, in October of 1979, opened a limited assortment "box," store in Pontiac, Mich. However, the experiment ended after less than one month when poor sales and the threat of union organizing induced the company to close the store. Company executives maintain they have deep-sixed the idea.

And the company brought up some new top management this year, when chairman-ceo Robert E. Dewar handed his title over to Bernard M. Fauber, who had been vice-chairman and has extensive merchandising experience. However, Mr. Dewar, who has primarily a financial background, remains active as chairman of the executive and finance committees.

ADVERTISING EXPENDITURES

	1979	1978
Magazines	$ 5,164,300	$ 3,972,200
Spot tv	16,281,600	15,045,100
Network tv	8,087,700	8,915,000
Network radio	1,799,700	2,404,000
Spot radio	5,731,600	3,494,500
Outdoor	30,200	500
Total measured	37,095,100	33,831,300
Unmeasured*	250,000,000	216,168,700
Estimated total	287,095,100	250,000,000

* Includes newspaper advertising

ADVERTISING EXPENDITURES†

	1979
Magazines	$ 4,532,000
Spot tv	13,785,000
Network tv	9,047,000
Network radio	2,845,000
Spot radio	6,089,000
Outdoor	30,000
Total measured	36,328,000
Unmeasured	250,000,000
Estimated total	286,328,000

†Figures provided by K mart.

MARKETING PERSONNEL

E. J. Kreitz, director-adv and mktg
R.R. Dejaeghere, director-adv and sales promo
R.M. Mazade, director-creative adv

ADVERTISING AGENCY

Ross Roy Inc., Detroit

Kellogg Co.

	1979	1978
Sales	$1,850,000,000	$1,690,000,000
Earnings	162,000,000	145,100,000,000
Advertising*	91,645,700	79,600,000

* Estimated by AA

Kellogg Co., Battle Creek, Mich, the 50th largest national advertiser, boosted its advertising spending to an estimated $91,645;700, a 15% increase over its 1978 spending level of $79,600,000. The largest spending jump came in network tv expenditures, which rose 25% to $55,543,100 in 1979, an increase that reflected both higher television costs and a more aggressive push on new products to sell adult cereals.

Sales for the company rose 9.5% to $1,850,000,000, the 35th consecutive sales increase, while earnings were up 11.6% to $162,000,000.

▪ Cereal remained Kellogg's main business, despite generally flat market conditions. One prime success of late has been Honey & Nut Corn Flakes, introduced in July, 1979, in limited markets and rolled national in April, 1980.

Kellogg's Graham Crackos, a presweetened graham cracker-like cereal, got the largest single chunk of the ad budget with $6,200,000. The second highest amount of ad dollars went to Most, a high-fiber wheat cereal that rolled national in 1978 and performed well during 1979. Its budget was about $5,700,000 in 1979.

The company introduced a new "It's Gonna Be a Great Day" umbrella ad theme, which is being used in all cereal advertising in all media.

▪ Kellogg continued its strong defense against Federal Trade Commission efforts to force changes in advertising to children. The FTC has continued to be a thorn in Kellogg's side. In addition to complaints about advertising and presweetened cereal, FTC continues its push to break up what it considers a shared monopoly in the cereal industry, of which Kellogg is a part.

Early in 1980, Kellogg introduced its Raisins, Rice & Rye cereal in three test markets and expanded it quickly. The cereal should be national by August. Smart Start, a high-iron cereal aimed primarily at women, has not had such auspicious beginnings. It was introduced in test markets last August, but was withdrawn; Kellogg is now reevaluating the product in a Boston test project.

▪ Although smaller than the U.S. food products division (cereal), Mrs. Smith's Pie Co. and Fearn International registered some of the most dramatic sales and earnings increases during 1979.

Mrs. Smith's successfully test marketed a full line of dessert and entree frozen crepes, recently adding three more entrees. The line has not gone national yet, but Kellogg plans to have them in full distribution by late 1980. Mrs. Smith's introduced four new frozen pies east of the Rockies.

The frozen pie market was relatively flat in 1979, but Mrs. Smith's managed to increase its sales and market share, aided by more than $1,300,000 of network tv and magazine advertising.

▪ Company management was stable in 1979, with the only shift coming as William E. LeMothe took over as chief executive officer and chairman of the board as two longtime Kellogg executives retired.

The company acquired a new unit—Pure Packed Foods, which markets frozen nondairy products.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$4,830,000	$4,824,100
Magazines	3,216,000	2,000,900
Spot tv	21,681,000	22,244,800
Network tv	55,543,100	43,221,600
Spot radio	1,678,400	2,940,000
Network radio	——	171,900
Outdoor	10,000	11,300
Total Measured	86,958,500	75,414,600
Unmeasured	4,687,200	4,185,400
Estimated Total	91,645,700	79,600,000

MARKETING PERSONNEL

U.S. Food Products Division

A. G. Langbo, president
M. H. Darling, exec vp-sales and mktg
J. R. Aubuchon, senior vp-mktg
A. E. Howells, senior vp-sales admin
M. L. Wolfe, vp, mkt devel
R. L. Myers, vp, group product mgr
W. H. Swain, director, mktg services

ADVERTISING AGENCIES

Leo Burnett Co., Chicago—cereals—W. T. Lynch, vp-mgmt director; D. K. Collins, S. E. Cronwall, J. W. Drobnyk, J. M. Jenness, vps-acct supers; R. A. Anschuetz, C. H. Curry, R. Gydinskas, M. R. Kohr, J. M. Lowenthal, C. A. Marien, R. Meuser, B. Schumacher, C. C. Stowe, M. J. Tobin, acct execs.

J. Walter Thompson Co., Chicago—Salada—J. F. Tukey, senior vp-acct mgmt; H. L. Scholnick, vp-mgmt super; M. O. Jurz, acct super.

Vince Cullers Advertising, Chicago—Vincent Cullers, president.

U.S. Subsidiaries

R. L. Nichols, group exec vp, Kellogg Co.
Fearn International, Franklin Park, Ill.
D. E. Thompson, president; E. K. Jorgenson, senior vp-sales & mktg.
Mrs. Smith's Pie Co. Pottstown, Pa. R. L. Nichols, president; F. W. Krum, senior vp, mktg.
Pure Packed Foods, Arlington, Tenn. A. J. Simpson, president; R. D. Bateman, vp, mktg.

ADVERTISING AGENCIES

J. M. Korn & Son, Philadelphia—Mrs. Smith's fresh baked prods.

Leo Burnett Co., Chicago—Mrs. Smith's and Eggo frozen prods, Pure Packed Foods, frozen nondairy prods.

Howard H. Monk & Associates, Rockford, Ill.—LeGout prods.

Kraft Inc.

	1979	1978
Sales†	$6,432,93[illegible],000	$5,669,900,000
Earnings†	188,088,000	184,000,000
Advertising*	119,653,600	114,166,700

†Worldwide
***Estimated by AA for U.S. and Canada**

Kraft Inc., Glenview, Ill., the 39th largest U.S. advertiser, increased advertising expenditures by 4.8% in 1979 to $119,653,600.

Sales rose for the 18th consecutive year to $6.43 billion, a 13% hike over the year before. Earnings rose 2.2% to $188,088,000.

Kraft reported spending $154,900,000 (including agency commissions) on advertising worldwide last year, an increase of 9.7% over the $141,300,000 for 1978. This represents 2.4% of world sales as compared with 2.5% in 1978.

▪ Advertising expenditures overseas accounted for 24.9% of total advertising expenditures. U.S. and Canadian sales totaled $5.24 billion, an 11.9% increase over 1978.

According to Kraft, over $200,000,000 of its retail sales in the U.S. came from products that were not sold in 1974.

Current new product activity includes the test of Miracle instant pasta products, 2nd the rollout of Kraft thin deli-style natural Swiss slices and garlic French and golden blend Italian dressings, scheduled for full national distribution in 1980.

▪ Earlier this year, the company began test marketing of a la Carte entrees in retort pouches. With heavy emphasis on direct mail product sampling, 2nd couponing, in addition to spot radio and tv, Kraft is testing a la-Carte in Phoe-

KNOW THY COMPETITION

See page 113

LNA

You Are As Good As The Product You Put Your Name On.

You take the same pride in your name as we do in ours. We also know you cannot afford anything less than the finest quality printable shirts when T-shirts are part of your promotional plans.

Hanes is the T-shirt brand requested by name. Our list of customers includes some of the most famous name brands in America. Because Hanes Printable™ Shirts, like all nationally famous Hanes products, means quality you can trust.

Hanes offers a brilliant choice of colors and styles in infant, youth and adult garments. Our fabric selection includes 100% cotton and blends of cotton and Kodel® polyester.

Our sales and customer service representatives will assist you in all phases of T-shirt promotion planning. They will advise you regarding color selection, style recommendations, correct size mix and many other important questions you need answered. Our computerized inventory control system allows them to advise you immediately of style and color availability and to fill your order efficiently and accurately.

Your name is important to you. It makes a lot of sense to stick your chest out with pride in a Hanes Printable Shirt than to take a chance sticking your neck out.

Hanes Printable Shirts

Hanes Knitwear, A Division of Hanes Corporation Box 3019 Winston-Salem, N.C. 27102
Eastern Sales Office (919) 727-7711 Western Sales Office (213) 689-9881

Kodel
polyester

KODEL is Eastman's trademark for its polyester fiber.

nix and Tucson, Ariz., Schenectady, Troy and Albany, N.Y., and Cincinnati, Dayton and Columbus, O. Only in Columbus is a la Carte in direct competition with Continental Kitchen retort pouch entrees, which are products of ITT-Continental Baking.

For the ninth summer in a row, Kraft supported its No. 1 position in pourable dressings with its Salad Days promotion, which is a joint venture with marketers of fresh salad ingredients. The company used magazines and displays in supermarket produce departments as primary vehicles of promotion.

▪ All told, Kraft salad dressings received $6,295,800 worth of support in measured media. In addition, $501,200 was spent on measured media for Kraft low-calorie salad dressings; $600,000 for Light N' Lively mayonnaise; $4,653,000 for Kraft mayonnaise; and $7,081,700 for Miracle Whip salad dressing. To emphasize Miracle Whip's use in sandwiches as well as salads, Kraft continues its annual Sandwich Days promotion.

Domestic consumer advertising continues through "family entertainment" prime time tv specials. Kraft's commercials include new recipes and the shows and featured products are supported by advertising in *TV Guide* and displays in stores. In 1979, the company sponsored "The Lion, The Witch and The Wardrobe," taking from the first volume of Chronicles of Narnia by C. s. Lewis and produced by Children's Television Workshop. Kraft continues underwriting for "The Adventures of Slim Goodbody in Nutri-City," a twice-weekly feature of the "Captain Kangaroo Show."

▪ Kraft campaigns include its "Good food and families belong together" theme, "Good Ideas keep popping up with Velveeta," "Success after success" for Philadelphia Brand cream cheese and "Every single time" for Kraft singles.

Some of Kraft's major advertising expenditures were for Kraft cheese ($8,627,200), Parkay margarines ($5,602,900), Velveeta ($4,166,900) and its dry packaged dinners ($4,059,700).

In Canada, Kraft sponsors regular 30 and 60-minute weekly series on several tv networks. Advertising slant is similar to that of commercials seen on U.S. tv: Emphasis on the quality of Kraft products as well as suggestions for recipes and meal planning.

This year, Kraft Inc. signed a definitive merger agreement with Dart Industries, Los Angeles, forming Dart & Kraft Inc., a holding company. The two corporations become separate subsidiaries.

▪ Kraft openly seeking diversification for several years, reportedly was attracted by the growth potential of Dart, whose products include Tupperware housewares, West Bend appliances and cookware and Duracell batteries. Dart's sales reportedly have expanded at an annual rate of 16% in the last four years. The new company will be headquartered in the Chicago area.

In line with Kraft's plans to sell certain nonfood operations and due to decreased 1979 earnings, Metropac Containers Corp., Lyndhurst, N.J., was sold to Ball Corp., Muncie, Ind. Total Metropac sales in 1979, including sales to other Kraft subsidiaries, was $118,000,000.

▪ Also, Kraft sold its chemical operations in Memphis, Tenn., to Witco Chemical Corp., New York, and a part of its Aluminum Specialty Co. to Foley Mfg. Co., Minneapolis.

A Good Breakfast Starts A Great Day
"That's why Kellogg's is saving you $1 towards a good breakfast.
Send for your $1 Good Breakfast Coupon

Kellogg's ad offers a $1 refund for proofs of purchase of any four of its cereals.

In March, Kraft created two executive vp posts in anticipation of the retirement of several senior executives in the next five years or so. Chairman John M. Richman said this move will assure "an orderly transition of management over these next several years." Heribert Kohlhaas is the new senior exec vp for U.S. operations and James F. Scull is senior exec vp for operations outside the U.S. The two report to Arthur W. Woelfle, president and chief operating officer, who is scheduled to retire in less than five years.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$ 5,450,700	$ 5,009,800
Magazines	21,428,100	21,878,900
Spot tv	28,087,900	33,350,600
Network tv	36,214,200	25,979,600
Spot radio	1,957,100	1,876,000
Network radio	912,100	1,901,500
Outdoor	1,103,500	1,813,800
Total measured	95,153,600	91,810,200
Unmeasured	24,500,000	22,356,500
Total	119,653,600	114,166,700

CORPORATE MARKETING PERSONNEL

H.L. Handley, senior vp-rsch & mktg devel
C.C. Grinnell, director, corp mktg devel
J.R. Babka, mktg mgr-product devel
D.A. Andler, mktg mgr-product devel
M.J. Barry, mgr, mktg rsch

RETAIL FOOD GROUP
MARKETING PERSONNEL

J.S. Brakefield, vp-director, refrigerated prod
W.C. Bourn, vp-mktg, refrigerated prods
R.J. Clark, vp-director, mktg information
S.R. Gardner, vp-mktg, refrigerated prods
J.P. Durrett, vp-director, grocery prods
N.E. Toft, vp-director, mktg services
W.B. Whitaker, vp-director, sales and sales operations
R.N. Courtice, vp-director, adv and creative services
D.W. Holland, corp vp-director consumer affairs
R.J. Miller, vp-mktg, refrigerated prods
J. Wilson, vp-mktg, refrigerated prods
W.A. Rowe, vp-director, retail sales operations
J.R. Blocki, genl adv mgr
R.K. Powell, product adv services mgr

ADVERTISING AGENCIES

N W Ayer, ABH, Chicago—J.N. Titus.

McCann-Erickson, Chicago—flagg Taylor.

Foote, Cone & Belding, Chicago—D.L. Belzer.

Needham, Harper & Steers, Chicago—J.W. Copher.

Proctor & Gardner, Chicago—Rolfe Colconey.

DAIRY GROUP
MARKETING PERSONNEL

R.F. Zogby, vp-director, sales & mktg
A. Geoffrey, mktg mgr, frozen prods
R. Creighton, vp-mktg
R. McClintock, vp, sales & sales operations
V. Sidebotham, mktg mgr, dairy prods
J. Malcolm, mgr, mktg services
D. Herr, mktg promo and product devel mgr

ADVERTISING AGENCIES

N W Ayer ABH, New York—Sealtest, Breyers, Light n' Lively—Joe Harte, mgmt super; H. Hartwell, W. Stabile, P. Hogue, acct supers.

Badillo Compton, Puerto Rico—Sealtest, Light n' Lively for Puerto Rico—Angel Collado Schwartz, acct super.

Manoff Geers Gross, New York—Breakstone products—Michael Kennedy, mgmt super; Dennis Fogerty, acct super; Cecil Lyon, acct exec.

KRAFT INTERNATIONAL
MARKETING PERSONNEL

W. Schopp, vp-director, intl mktg
J.R. Blanks, mktg mgr
P. Barnickel, mktg mgr

FOOD SERVICE & INDUSTRIAL GROUP
MARKETING PERSONNEL
Foodservice Division

S.A. Metz, vp-director, mktg
J.L. Woods, vp-director, mktg

Industrial Foods Division

F.R. Betzel, vp, mktg & sales, industrial
F.D. Donovan, vp, mktg & sales, private label

ADVERTISING AGENCY

Merrill Kremer Inc., Memphis—food products—Ernest Lee, acct super.

Liggett Group

	1979	1978
Sales	$1,055,487,000	$925,701,000
Earnings	53,094,000	56,820,000
Advertising	59,000,000	68,120,000

Liggett Group, Montvale, N.J., the 71st largest national advertiser, decreased its advertising by 13.4% in 1979 to $59,000,000.

Although sales topped $1,000,000,000 for the first time in the company's history, an increase of 14% over 1978, earnings slipped 6.5% from $56,820,000 to $53,094,000.

In May, 1980, the Liggett Group was acquired by Grand Metropolitan, London, for $570,000,000 via a $69-a-share tender offer. Liggett earlier had bitterly resisted the takeover bid by its long-time partner in the liquor business, fighting it off for nearly a month.

▪ The British hotel, restaurant, gambling and beverage giant initiated the action in April, 1980, with a $50-a-share tender offer. Grand Met, which distills J&B scotch (Liggett distributes it in the U.S.), tried for two years to buy a piece of Liggett's liquor business with the idea of gaining a toehold in the American marketplace. Liggett always refused, thus prompting the British company to go after Liggett itself.

During the struggle, Liggett even sold off its Austin, Nichols & Co., a liquor distributing unit Grand Met coveted. For a while it appeared Standard Brands, a so-called "friendly suitor" would win Liggett's hand with a "white knight" offer of $65 a share. But Grand Met increased its offer, and Standard Brands backed off, with Liggett finally giving in.

Liggett, which has interests in liquor, cigarets, chewing tobacco, pet foods, soft drink bottling and sporting goods, continued moves in 1979 to restructure its business away from its cigaret business, which has been declining for years. In March, 1979, the company acquired Atlantic Soft Drink Co., a Pepsi-Cola bottling company, and in March, 1980, it purchased Leach Industries, a racquetball and racquet manufacturer and distributor.

▪ In addition to its sale of Austin, Nichols & Co., to Pernod Ricard of Paris, Liggett also divested itself of Perk Foods in July, 1979, and National Oats and Brite Industries in January, 1980.

Although Liggett & Myers Tobacco Co. continued to lose market share, dropping from 3.4% in 1978 to 2.8% in 1979, its operating income was up sharply because of reduced promotional expenditures and higher selling prices. Cigaret sales of $291,327,000 were $20,800,000 lower than last year, despite price increases totaling $17,200,000.

▪ Cigaret sales, which ten years ago accounted for 60% of corporate sales, today account for about a quarter. The company spent a total of $7,079,700 in measured media to support its cigaret brands, less than half of last year's $16,840,000 budget.

Liggett spent $4,697,600 to advertise its L&M Long Lights and an additional $1,863,600 on its Lark Lights, Lark Lights filter kings and Lark Lights kings and 100s cigarets.

Spending for Decade, Liggett's once bright hope for entering the low-tar market, was severely curtailed, amounting to little more than $500,000, cut from over $10,000,000 the previous year. The brand failed, in part, because of massive ad support behind low tars of competitors.

No measured spending was reported for Chesterfields or Eve.

Liggett & Myers' marketing strategy reflected a policy of retrenchment. Following the dismissal of 25% of its factory work force in Durham, N.C., and the consolidation of its marketing and sales forces, the company is focusing its advertising on regional areas where its brands are strongest. Liggett's advertising is handled by Comart, New York, and Promotion Development Corp., Westport, Conn. The company also dropped J. Walter Thompson Co., Norman, Craig & Kummel and Della Femina, Travisano & Partners, its former cigaret agencies.

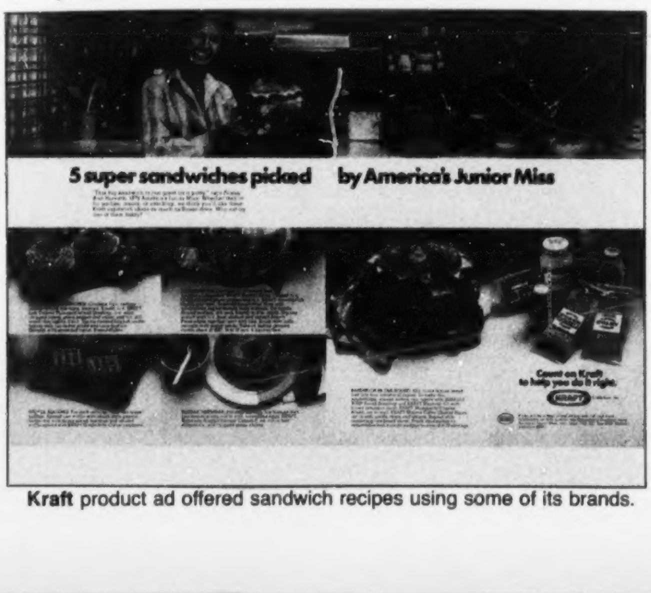
▪ Pinkerton Tobacco Co., Liggett Group's chewing and smoking tobacco unit, produced net sales of $68,325,000 in 1979.

The figure was higher than in 1978 because of price increases, but operating income declined to $15,518,000 largely because of increased promotional expenditures.

The company is test marketing two new chewing tobacco brands, Big Duke and Union Station, and is expanding distribution in 1980 of Black Clipper, a new brand of pipe tobacco.

In 1979, Pinkerton spent almost $2,000,000 on tv and radio advertising to promote its principal brand, Red Man, the No. 1 chewing tobacco in America. Terry Bradshaw, quarterback for the Pittsburgh Steelers, plugged Red Man as "the pick of the pros."

Spirits and wine sales totaling $206,955,000 in 1979 were 7% higher than in 1978, even though there were substantial increases in promotional expenditures. Operating income decreased from $43,307,000 in 1978 to $39,331,000 in 1979.


5 super sandwiches picked by America's Junior Miss
Count on Kraft to help you do it right.
KRAFT

Kraft product ad offered sandwich recipes using some of its brands.

Liggett's four principal brands, J&B Scotch, Wild Turkey bourbon (subsequently sold to Pernod in the Austin, Nichols deal), Grand Marnier and Bombay English gin, accounted for $15,482,900 in measured media spending.

Apparently dissatisfied with a 1.9% slip in J&B's case sales to 2,600,000 in 1979, Liggett Group axed E. T. Howard Co. and awarded the $7,000,000 account to Backer & Spielvogel, New York. In addition to $6,116,600 in advertising for J&B, Paddington Corp. (which distributes J&B) sponsored a variety of sporting events, including the men's doubles championships of the U.S. Open tennis championship, with J&B the official scotch of the tournament. The company also sponsored a year-long putting competition on the U.S. Ladies Professional Golf Assn. tour.

Sales of Paddington Corp.'s Izmira Turkish vodka exceeded anticipated levels in 1979. Austin, Nichols became exclusive U.S. importer of Bailey's Original Irish Cream liqueur, which was introduced during the fourth quarter. According to the company, trade and consumer response exceeded expectations at both wholesale and retail levels. Bailey's, a Grand Met-owned label, has been shifted to the Paddington Corp. Backer & Spielvogel handles the account.

▪ Liggett's Carillon Importers Ltd. stepped up its support for Grand Marnier liqueur to the tune of $2,131,100. Sales of Grand Marnier continued to exceed the growth rate for the liqueur cordial category. Advertising featured photographs of remote, unpopulated locations bearing the legend, "There are still some places on earth where Grand Marnier is not served after dinner."

Carillon introduced Absolut Swedish vodka during mid-year, thus giving Liggett a second entry in the fast-growing vodka category.

Sales at Allen Products, Liggett's pet foods division, climbed 12% to a record level of $204,647,000 in 1979 and operating income was also substantially higher because of sales and lower promotional expenditures.

Allen spent $11,921,500 in measured media to strengthen the position of its No. 1-selling Alpo line of premium canned and dry dog foods. Heavy schedules of tv advertising promoted the Alpo product line; spots continued to feature actor Lorne Greene as spokesman. Alpo Dry, introduced last year, already has succeeded in capturing 4% of that market segment.

▪ Allen spent nearly $1,000,000 promoting its Liva Snaps brand, the largest selling line of pet food treats. Other Allen Products pet food brands include Bi-Ta Biscuit dog bones and Alamo brand dry dog food, a West Coast brand.

Atlantic Soft Drink Co., which Liggett acquired in March, 1979, more than tripled Liggett's sales volume in the fast-growing soft drink bottling industry. Sales in 1979 totaled $133,897,000, up from $29,329,000 in 1978.

Diversified Products Corp. had another good year in 1979 with record highs in sales and operating income. DP continues to be the largest manufacturer of physical fitness and basketball equipment. Leach Group, the racquetball and racquet manufacturer, will operate as a division of Diversified Products.

Earl Grissmer Co., a rug cleaning equipment company, featured

Tony Randall as tv spokesman for its Rinse N Vac carpet cleaning systems.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$ 8,909,700	$18,994,800
Magazines	21,527,700	23,081,600
Spot tv	3,712,500	1,368,700
Network tv	10,230,500	8,917,400
Spot radio	1,976,200	575,800
Network radio	841,100	677,300
Outdoor	4,157,500	9,120,900
Total measured	51,355,200	64,736,500
Unmeasured	7,644,800	4,206,500
Estimated total	59,000,000	68,943,000

CORPORATE MARKETING PERSONNEL

Raymond J. Mulligan, president & ceo
Jonathan W. Old, exec vp, consumer prods
Robert H. Fasick, vp, admin & asst to the president
Robert B. Scidensticker, vp, tobacco companies
Dan Provost, vp, public affairs
Jim Adams, vp, corporate devel
Werner von Pein, corp mktg director, consumer prods
Al Kalish, director, corporate adv services
Joe McKenna, director, pr

LIGGETT & MYERS TOBACCO CO.

MARKETING PERSONNEL

K.v.R. Dey Jr., president-ceo
Hal Grant, vp, sales
Chuck Knudtson, natl director, sales promo
Fred Iadanza, group promo/serv mgr
Fred DiMenna, group promo mgr
Don Fish, group promo mgr
Bob Seher, director, sales admin & serv
L. P. Hughes, natl field sales mgr
Jim McPartland eastern region sales mgr
Ennis Laws, southern region sales mgr
Jim Dowd, natl accts mgr
Holman Brown, mgr, conventions & meetings
Bobby Rigsbee, director, purchasing

ADVERTISING AGENCY

Promotion Development Corp., Westport, Conn.—special assignments—Sam Stryker, vp, acct super.

PADDINGTON CORP.

MARKETING PERSONNEL

Al Ferro, president, ceo
Dick Mastracci, vp-sales
John Daly, vp-sales, New York
Steve Ryan, vp-mktg
Al Giordano, director, mktg rsch
Anne Berenger, mgr, sales rsch

ADVERTISING AGENCY

Backer & Spielvogel, New York—J&B Rare scotch, Catto's Gold Label scotch, Royal Ages scotch, Izmira Turkish vodka, Bailey's Original Irish Cream liqueur, Crofts sherries & ports—John Kelly, acct super; Larry Rosenthal, acct director; Steve Leff, exec vp and director-media services; Jay Schoenfeld, senior vp & media director; Ann Meschery, vp-associate media director; Fred Betts, planner.

CARILLON IMPORTERS

MARKETING PERSONNEL

Albert H. Singer, president, ceo
Michael Roux, vp-eastern region sales
John Singer, vp-western region sales
Paula Braun, mgr, adv & promo

ADVERTISING AGENCIES

Martin Landey, Arlow, Geers, Gross, New York—Grand Marnier, Cherry Marnier Marnier Lapostolle cognac, Absolut vodka, Chateau De Sancerre—Martin Landey, chairman; Bill Manley, acct exec.

Chester Gore Co., New York—Bombay Gin, Bertani wines, Fazi Battaglia Verdicchio wine, Punt e Mes, Achaia Clauss Greek wines andouzo, Dopff Alsation wines, Lang's Scotch whisky, Vin Fou, Chateau Lescours—Chester Gore, president; Mike Buser, media.

PINKERTON TOBACCO CO.

MARKETING PERSONNEL

Ken Wanamaker, president, ceo
Ralph Ring, vp-sales

ADVERTISING AGENCY

Berger, Stone & Ratner, New York—Red Man, Big Duke, Black Clipper—Joe Stone, president, creative director; Sam Ratner, exec vp-mgmt super; Alan Schwartz, vp-acct super.

ALLEN PRODUCTS CO.

MARKETING PERSONNEL

James W. Murray, president, ceo
John R. Roley, exec vp
Robert Hyde, vp-mktg
Jerrold Chadwick, vp, sales
Tom Durkin, vp-communication/technical services
Jim Schmoyer, vp-purchasing & distribution
Ken Kirshner, mktg mgr
Tyrone Allen, mktg mgr

ADVERTISING AGENCY

Weightman Inc., Philadelphia—Alpo canned and dry dog food, Bi-ta dog biscuits, Liva-a Snaps pet treats, Alamo dry dog food—Ron Fraser, managing super; Hap Gwynn, Gordon Nichols, Ralph Day, senior acct supers; Doug Schorres, Linda Robinson, David Wolfe, Don Brown, acct execs; Neil Harrison, media director; Ray Dundas, associate media director.

EARL GRISSMER CO.

MARKETING PERSONNEL

Fred Whelan, president, ceo
Charles V. Durkee, exec vp-director of sales
George Feldman, vp
Donn L. Spencer, adv mgr
Esther Eisman, mgr, mktg & product services
Max Neimann, sales promo coordinator

DIVERSIFIED PRODUCTS CORP.

MARKETING PERSONNEL

Cal James, president-ceo
Buddy Pilgrim, exec vp
Ira Silberman, senior vp
Ira Pollack, vp-corporate mktg & purchasing
James Thompson, vp-sales
Lanier Johnson, mktg director

LEACH INDUSTRIES

Charles Drake, vp & genl mgr

PEPSI-COLA BOTTLING CO. OF FRESNO

MARKETING PERSONNEL

Ron Dorrell, president, ceo

ATLANTIC SOFT DRINK CO.

MARKETING PERSONNEL

Larry Smith, president, ceo
Bob Buys, vp-mktg

ADVERTISING AGENCY

Ra-Bar Advertising, a house agency.

Loews Corp.

	1979	1978
Sales	$4,065,475,000	$3,455,644,000
Earnings	208,560,000	168,165,000
Advertising	144,468,300	78,885,800

Loews Corp., New York, the 30th largest advertiser in the country, boosted its advertising expenditures by more than 83% in 1979 to about $144,468,300.

The bulk of the surge was taken up by national campaigns for two new ultralow-tar cigarets introduced by the company's Lorillard division.

Sales, up 17.6% to more than $4,000,000,000, reached record levels for the third consecutive year. Net income jumped 24% to $208,560,000, and income from continuing operations rose 23.2% from $147,700,000 to $182,000,000, both records.

Loews invested $166,000,000 to increase its ownership share of CNA Financial Corp. from 58% to 79% in 1979, and the conversion of preferred stock holdings to common stock in early 1980 yielded 82.4% ownership of outstanding voting shares.

Loews' CNA holdings continued to provide about 50% of the parent's net income. Property and casualty revenues were up 21.4% to $1,400,000,000, but income was down 3.1%. Life insurance revenues were up almost 5%, but income slid 1.2%. Loews' consumer finance subsidiary, General Finance, was able to couple an 11.2% revenue increase with an income gain of 10.7%, again in the face of high interest rates.

CNA's advertising program was again devoted exclusively to magazines and rose 97% from $704,500 in 1978 to $1,386,400 in 1979. The company completed a three-stage program of new insurance policy introductions with its new portfolio of term life policies.

Lorillard, the Loews tobacco subsidiary, was one of only two major domestic tobacco marketers to increase its market share; Philip Morris Inc. was the other. While still fifth largest over-all, Lorillard's market share increased from 9.1% to 9.7%. A 1% market share represents about $100 million in sales.

Cigaret sales rose 8.1% to 59.28 billion units. Lorillard trails R.J. Reynolds Tobacco Co., Philip Morris, Brown & Williamson and American Tobacco Co., respectively.

Low-tar cigarets (defined as 15 mg or lower) continue to capture an increasing share of the market, and Lorillard believes it is well positioned to take advantage of the trend. Low-tars have jumped from a 17.1% market share in 1976 to a 42.6% share in 1979; about 80% of Lorillard's sales are low tars, and the company is third in low-tar sales with 17.7% of the market.

Lorillard allocated "record sums" toward the introduction of two new 3mg ultra low tar brands, Kent III and Triumph. About $20,800,000 was spent on newspapers in the top 10 markets, magazines, newspaper supplements and outdoor for Kent III; $17,200,000 was spent on the same media for Triumph.

MARKETING PROFILES

The January and July rollouts of the brands prompted one Lorillard executive to claim that no major cigaret company in recent memory had attempted two major introductions in the space of less than 12 months.

■ Kent III sales rocketed to 5.5 billion units, while Triumph mustered just under 1.5 billion. Kent III continued to outdistance Triumph in the first quarter of 1980, but by a somewhat smaller ratio. While the two brands fared well in the marketplace, they failed to dent sales of their two rivals, American Tobacco's Carlton and R.J. Reynolds' Now. Carlton sales jumped about 50% and Now rose by a more modest 3.4%.

Lorillard's Golden Lights, one of 1978's fastest growing brands, dropped 8.7% to 13.19 billion units. Golden Lights 85s accounted for most of the slide, falling 1.5 billion units.

■ Golden Lights was backed by almost $16,000,000 in magazines, newspaper supplements and outdoor, plus just over $6,000,000 in newspapers in the top 10 markets.

Second among Lorillard spenders was Kent III; Triumph was third.

True, last year's second biggest spender, dropped to fourth with $11,200,000 in magazines, newspaper supplements and outdoor. True spent just over $3,000,000 in the top 10 newspaper markets, while unit sales stayed virtually even with last year's, despite a much-advertised 13mg to 8mg tar reduction in the brand.

Lorillard's highest volume cigaret, Kent, dropped 13.5% to 13.64 billion units. By year's end, the volume differential between it and the now-sagging Golden Lights had shrunk from 1.28 billion units to 450,000,000 units.

The Kent volume drop was accompanied by a significant withdrawal of ad support for the brand. The budget for magazines, newspaper supplements and outdoor plummeted 75% from almost $8,000,000 in 1978 to just under $2,000,000 in 1979.

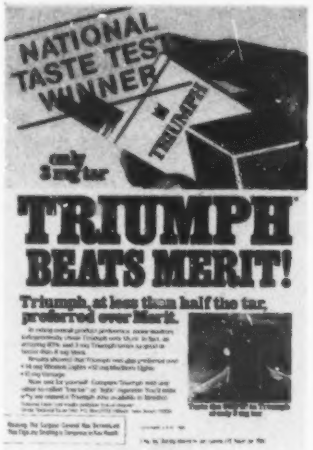
■ Newport experienced another sales gain, rising 15% to 9.87 billion units. Including newspapers in the top 10 markets, Newport spent almost $10,000,000 in major media, with magazines drawing slightly more than outdoor. Those two media made up almost 90% of the spending total.

Max 120s, a cigaret aimed at active women, spent most of its ad support in magazines. Created largely to cut into Philip Morris' Virginia Slims market, Max' promotional approach is strongly tied to fashion, striving to earn an image of smartness and sophistication. To this end, Max uses sweepstakes, mailings, beauty market tie-ins and pinpoint samplings to select groups. But while Virginia Slims surged 10.4% to 10.76 billion units, Max declined slightly to 990,000,000 units.

Old Gold sales continued to slide, despite a new ad campaign for the regionally marketed brand. Sales were down 380,000,000 units to 2.86 billion. The brand received $1,800,000 in support, mostly in outdoor and magazines.

Lorillard doubled its ad budget for Beech-Nut chewing tobacco to $1,500,000 the lion's share going to spot tv and a tenth of that to outdoor.

■ Aspen, a 9mg low-tar menthol, was test marketed in four cities beginning in July, 1979, but was withdrawn in March. Almost $500,000 was spent in 1979, equally divided between magazines and outdoor. Loews fueled speculation about yet another new brand when it invited Dancer Fitzgerald Sample and Case & McGrath in March, 1980, to make presentations for a new cigaret assignment.


NATIONAL TASTE TEST WINNER
TRIUMPH
only 3 mg tar
TRIUMPH BEATS MERIT!
Triumph, at less than half the tar, preferred over Merit.

Lorillard uses the comparative approach to back Triumph.

Loews' hotel division boosted revenues by $34,200,000 or 24.3%, a reflection of increased average room rates, higher occupancies and the opening of the 900-room Loews Anatole Hotel in Dallas in January. The Anatole is Loews' first entry into the expanding Southwest market.

The company also completed a $12,000,000 renovation of the Drake Hotel in Manhattan. Other New York properties include the Regency, Warwick and Summit, as well as the Ramada Inn and Howard Johnson motor inn. Loews spent about $190,000 to promote these facilities, mostly in magazines and newspaper supplements.

The opening in the fall of 1980 of the Loews Biarritz Hotel, a spa resort on the south Atlantic Coast of France, will bring the number of Loews-managed hotel properties to 16.

■ The theater division posted a revenue decrease of $1,600,000, or about 3.4%.

The company claimed the release of fewer "quality" films in 1979 was responsible for the decline. The division operates 128 screens and says it plans to add more.

In another area, Loews acquired approximately 93% of the stock of Bulova Watch Co. in 1979 for about $38,000,000, primarily through a tender offer at $10 per share. Bulova's recent fiscal history—it lost $48,100,000 in the three years before 1979—made it an unpromising acquisition in the eyes of many observers, but Loews was said to be attracted by the well known Bulova name and its network of 20,000 retail jewelry distributors. When Loews took over the now-successful CNA Financial Corp., it, too, was troubled. As of mid-1980, Bulova's turnaround had begun, according to one industry source.

Ad support in magazines, network and spot tv totaled $6,500,000, almost all of it going to tv. Bulova switched its low-priced Caravelle watch line from Doyle Dane Bernbach to Scali, McCabe, Sloves late last year as part of a move toward brand management. Ad support for the brand was about $2,000,000 in the last quarter.

When Loews announced in June, 1979, that it planned to acquire a large stake in the F.W. Woolworth Co., speculation centered on another takeover attempt. Late in the year, the company was said to have sold off most of its shares.

■ In what would have been the largest financial collapse in advertising history, Media Corp. of America avoided bankruptcy when Lorillard agreed to pay MCA creditors $6,000,000. Lorillard's financing furnished partial payment to 1,600 to 1,700 creditors of the beleaguered media buying service.

Lorillard claimed that its obligation toward the $13,400,000 debt total was only $3,000,000 but put up the extra money out of "a sense of fairness and a desire to maintain our working relationship with media." The settlement was said by one observer to be one of the largest out-of-court settlements ever achieved.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$ 53,664,800	$26,666,500
Magazines	35,745,100	24,147,600
Spot tv	2,705,400	477,000
Network tv	5,568,000	182,200
Spot radio	436,700	591,000
Outdoor	24,848,300	14,321,500
Total measured	122,968,300	66,385,800
Unmeasured	18,500,000	12,500,000
Estimated total	141,468,300	78,885,800

LORILLARD DIVISION

MARKETING PERSONNEL

C. H. Judge, president
J. R. Ave, exec vp-mktg
R. H. Orcutt, senior vp-sales
T. H. Mau, vp, adv & brand mgmt
R. E. Smith, vp-mktg devel
J. P. Mastandrea, sales director
S. R. Ridgway, pr director
R. W. Goyette, group brand director
C. I. Humphrey, group brand director
C. W. Toti, group director, product devel
W. Sands, media director
P. A. Lawless, sales promo director
J. G. Flinn, rsch director
M. K. Capra, H. L. Carroll, J. E. Daghlian, R. D. Hammer, M. A. Kayiatos, J. T. Rowe, G. R. Telford, brand mgrs
R. B. Evans, associate brand mgr
P. R. Lawrence, E. G. Morgenthal, asst brand mgrs

ADVERTISING AGENCIES

Foote, Cone & Belding, New York—Kent, Kent III, Golden Lights, Max, new prods, corp trade—Jack Angus, Jack Oxee, Bob Patton, mgmt supers.

D'Arcy-MacManus & Masius/de Garmo, New York—True, Beech-Nut chewing tobaccos, new prods—Bob Berman, Michael Cox, mgmt supers.

Dancer Fitzgerald Sample, New York—Triumph—Tom Bohan, mgmt director.

MCA Advertising, New York—Newport, Old Gold, new products—George Hoefer, mng director.

SAMS, New York—all domestic prods in Hispanic markets—Luis Albertini, president.

Case & McGrath, New York—new prods—Don Gilbert, mgmt super.

LOEWS HOTELS

MARKETING PERSONNEL

Robert Hausman, president
William Maibach, exec vp
Arthur Chernov, vp-sales/advertising
Stefan Gospodinoff, adv director
Ann Bontempo, pr director

ADVERTISING AGENCIES

Landis & Landan, New York—Vernon Mosheim, acct exec.

Cavalieri, Kleier & Pearlman, New York—Ian Kleier, acct exec.

K S W & G, New York—Philip Miles, acct exec.

Krohn Advertising, Montreal—Peter M. Krohn, Anwar Chaudhary, Maureen O'Mahoney, acct execs.

Rominger Agency, Dallas—Bart Rominger, acct exec.

LOEWS THEATERS

MARKETING PERSONNEL

Bernard Meyerson, president
Bernard D. Diamond, exec vp
Don E. Baker, vp-adv
Ted J. Arnow, asst vp-adv & promo
Henry I. Goldenberg, adv director

ADVERTISING AGENCY

Charles Schlaifer & Co., New York—Herb Joseph, vp-acct exec.

CNA FINANCIAL CORP.

MARKETING PERSONNEL

Edward J. Noha, chairman & ceo
P. Conway, vp-property & casualty mktg
B. Callahan, vp-life/health/pensions mktg
P. Engle, vp-mktg
B. Loevy, director-corp communications

ADVERTISING AGENCY

Frank C. Nahser Inc., Chicago—business, trade publications—Ron Nahser, vp.

GENERAL FINANCE CORP.

MARKETING PERSONNEL

R. J. Trenkmann, chairman
E. G. Stautzenbach, vp-director of mktg

ADVERTISING AGENCY

Cunningham & Walsh/Chicago—Jack Arnold, acct exec.

BULOVA WATCH CO.

MARKETING PERSONNEL

P. R. Tisch, chairman, exec committee
H. B. Henshel, chairman
A. H. Tisch, president
Jerry Josephson, vp-sales
George Forman, vp-director, mktg services

ADVERTISING AGENCIES

Doyle Dane Bernbach, New York—Bulova, Accutron—Arie Kopelman, mgmt super.

Scali, McCabe, Sloves, New York—Caravelle—Stuart Epstein, mgmt super.

MCA Inc.

	1979	1978
Sales	$1,266,140,000	$1,120,644,000
Earnings	138,988,000	128,379,000
Advertising	66,000,000	61,000,000

MCA Inc., Universal City, Cal., the 66th largest advertiser, increased its spending about 8% to $66,000,000 and posted record over-all gross sales and earnings figures that were paced by filmed entertainment.

A lower effective tax rate and a good showing by retail/mail order operations also contributed to best ever earnings. MCA income amounted to $1.70 per share as a result of winning a tax credit suit.

However, MCA's music activities showed a loss in 1979 and its ad spending dropped sharply. In early 1980, MCA instituted general cost-cutting measures—particularly in tv areas—according to some sources to reduce borrowing at high interest rates.

Universal Studio Tours, which is part of filmed entertainment, recorded the largest percentage ad increase with spending jumping 276%. MCA publishing and retail/-mail order divisions also had markedly higher ad outlays. MCA's largest advertising unit, Universal Pictures, had relatively unchanged ad spending as a result of having fewer total and fewer hit pictures.

MCA's unmeasured spending of more than $36,000,000 includes co-op advertising from several divisions, largely motion picture and to a lesser extent, music and book publishing.

■ Universal Pictures revenues were second highest in history, although behind 1978 totals that were paced by blockbusters "Jaws 2" and the original release of "Animal House."

Universal Pictures' measured ad expenditures dipped slightly to $20,286,000 in 1979, compared with $20,450,800 the year before. Among its schedule of 16 releases (compared with 23 in 1978), "The Jerk" starring comedian Steve Martin—a late 1979 release—was the only breakaway hit. "Jerk" returned $40,000,000 in domestic (U. S. and Canada) film rentals by midsummer 1980. Gross box office *is usually double studio rentals.*

The rerelease of "Animal House," backed by $1,906,500 in network and spot tv commercials, "Concorde—Airport 79," "The Seduction of Joe Tynan" and "Dracula" were Universal's other leading films.

Meanwhile, about $28,000,000 in domestic film rentals from "The Deer Hunter" could be judged as only fair for the 1978 Best Picture Oscar winner. However, the film is being well received overseas, although CBS-TV did not consumate a prebuy option because of graphic violence in the film.

Among 1979 disappointments was occult murder-themed "The Legacy," backed by $1,331,000 in spot tv and other measured media totaling $686,300. Other relatively low grossers were "More American Graffiti," "Yanks" and "Prisoner of Zenda."

■ In the middle was big budget action-farce "1941," launched in late 1979 with a $1,860,360 network tv blitz. Despite poor box office in theaters, Universal said it will break even on the picture, which was a co-production with Columbia Pictures, as was the successful "The Electric Horseman."

Universal's top two ad execs left in late 1979 and this development was followed by an agency switch in early 1980. Charles Powell and Buddy Young exited in December, and were replaced by 20th Century-Fox ad head David Weitzner and Gordon Armstrong, an ad exec with a leading independent producer. In January, 1980, Universal announced that it was splitting with its agency of 12 years, D'Arcy-MacManus & Masius, for Doyle Dane Bernbach, which exited Mr. Weitzner's former studio, Fox.

MCA is based on the lot of its huge, Hollywood-adjacent Universal Studios facility, home of its 16-story, dark glass headquarters building dubbed the Black Tower. The Universal lot, which serves as a lucrative tourist attraction, is billed as "the busiest" tv studio in the U.S. and possibly the world. Universal Television continues to be a leading supplier to NBC-TV.

■ In mid-1980, Universal Television started a policy of producing network tv series within network compensation, rather than financing such products at a small deficit as in the past. Affected initially were five NBC series and three CBS series. Traditionally, losses had been recouped in subsequent off-network syndication. However, tv operations are credited with pacing filmed entertainment to its best year ever in 1979.

MCA-TV Program Enterprises, created in 1978 to develop first-run product for tv syndication, produced in 1980 "The Toni Tennille Show," which cleared the NBC owned stations, "You Bet Your Life," starring comedian Buddy Hackett, and Operation Prime Time's "Condominium."

MCA's various tv activities, which are part of filmed entertainment, do little direct advertising, except for tv trade publications.

Inflationary pressures and lower traffic in shopping malls reduced profitability of its Spencer Gifts operations, MCA's second-leading advertising unit. Measured ad spending jumped 55% to $10,769,900 in 1979, in part because 38 new stores were opened. Spencer Gifts, based in Atlantic City, N.J., places all measured ads in print. Its products are sold via mail order and through about 380 retail stores.

MCA's music operations, third ranked in ad spending, cut measured expenditures 46% to $926,200 in 1979, a year in which the entire record industry's sales declined. MCA's record and music publishing activities showed a $9,620,000 loss, compared with a profit the year before, on higher total revenues of $163,954,000.

Infinity Records, a New York-based MCA label, was closed in December, 1979, in an effort to cut losses. In an unrelated move, ABC Records was acquired in April, 1979, and gave MCA Records a large roster of country artists.

Other leading MCA artists include Elton John, Poco, Olivia Newton-John, The Crusaders and B. B. King, although British rock group, The Who, departed for Warner Bros. in early 1980.

Book publishing and magazine operations increased advertising 146% to $350,800 in 1979 as MCA acquired Jove Publications in early 1979. The division reported lower profitability as a whole, however.

Hardcover and quality paperback book publishers are G. P. Putman's Sons and its subsidiaries Coward, McCann & Geoghegan and Richard Marek Publishers. Mass market paperback books are handled by Berkley Publishing and Jove books.

Also posting lower profits was MCA's financial operations. The largest of these, Columbia Savings & Loan Assn. with 24 branches in Colorado, increased its measured ad spending 5% to $476,400 in 1979. The higher cost of money and reduced mortgage activity were cited as the cause of lower profits.

MCA also operates Mid Continent Computer Services, which is involved in financial transactions.

MCA's Universal Studio's Tour,

the tourist attraction, spends about $2,000,000 in Southern California using all media via Abert, Newhoff & Burr, Los Angeles. Attendance rose 5% in 1979 to 3,500,000 persons for the film entertainment unit.

Yosemite Park and Curry Co. increased its measured ad spending 8.1% to $33,800 in 1979. The California tourist attraction had higher revenues.

▪ In September, 1979, MCA took IBM as an equal partner in its videodisc operation that is now called DiscoVision Associates, Costa Mesa, Cal. The division manufactures the discs for Magnavision, the consumer optical videodisc player made by Magnavox.

DiscoVision Associates named Leber Katz Partners, New York, its first agency in June, 1980, to assist in marketing and also handle trade ads. DiscoVision Associates is also a partner with Pioneer of Japan in making an industrial videodisc player that uses DiscoVision discs.

Distribution of consumer videodiscs is handled by MCA DiscoVision, an MCA unit. MCA DiscoVision named Doyle Dane Bernbach as its agency in April, 1980, although ad activity is limited because consumer videodisc players are not in wide distribution yet.

To spur sales, MCA in 1980 released videodiscs of "The Jerk" and "1941" several months after they premiered in theaters.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$7,157,400	$6,400,000
Magazines	1,539,400	2,989,700
Spot tv	13,390,900	12,442,100
Network tv	6,852,600	7,491,000
Spot radio	38,200	288,200
Network radio	286,500	193,200
Outdoor	394,300	132,400
Total measured	29,659,300	29,936,600
Unmeasured	36,340,700	31,063,400
Estimated total	66,000,000	61,000,000

MCA INC.

MARKETING PERSONNEL

Lew. R. Wasserman, chairman/ceo
Sidney J. Sheinberg, president/chief operating officer

UNIVERSAL PICTURES

MARKETING PERSONNEL

Ned Tanen, president
Robert Wilkinson, exec vp-genl sales mgr
David Weitzner, exec vp-adv, publicity, promo
Gordon Armstrong, vp-adv, publicity, promo

ADVERTISING AGENCY

Doyle Dane Bernbach/West—Simon Kornblit, senior vp-mgmt super; Bill Burns, senior acct exec.

SPENCER GIFTS

MARKETING PERSONNEL

J Eugene Brog,president
John L. Doyle, exec vp-director operations
George R. Zilling, vp-mktg, planning, rsch, devl

MAIL ORDER OPERATIONS

S. Gary Stern, vp-mktg
Allan Bilofsky, director, adv services
Eugene BeHage, director, space adv
Dotti J. Watts, intl mktg administrator

ADVERTISING AGENCY

Fairfax Inc., New York—James Fishel, acct exec; Jonathon Horn, media director.

MCA RECORDS

MARKETING PERSONNEL

Bob Siner, president
Sam Passamano Jr., director-mktg

ADVERTISING AGENCY

Lankershim Advertising (in-house)—Jorge Martinez, director-adv. merch.

MCA DISTRIBUTING

Al Bergamo, president

Mars Inc.

	1979	1978
Sales*	$887,600,000	$837,400,000
Earnings*	69,523,000	60,183,100

*** AA estimate**

Mars Inc., McLean, Va., the candy, pet food and rice marketer, sent its ad spending up 15% last year to an estimated $69,523,000, making it the nation's 64th largest advertiser in 1979. Sales are estimated to have climbed 6% to $887,600,000.

Mars maintains its corporate headquarters in suburban McLean, Va., outside Washington, D.C., with its major U.S. operating divisions elsewhere: M&M/Mars in Hackettstown, N.J.; Kal Kan Foods in Vernon, Cal.; Uncle Ben's Inc. in Houston, Tex., and Snackmaster in Albany, Ga.

Mars is one of the largest privately held companies in the U.S. and has extensive marketing operations abroad. Without legal requirements for public financial reports, Mars declines to discuss advertising and sales data.

It's known that available estimates of Mars' advertising underestimate actual spending by perhaps a third, or more. AA's estimate of total Mars advertising has been adjusted upward to more accurately reflect actual ad activity by the company.

▪ Measured spending on individual brands, and in particular media estimates obtained from outside the company, have not been adjusted upward, however. The differences between AA's estimated total and the estimated total for particular media is reflected in the

Bright spot in the nation's Sunbelt

Raleigh-Durham

The growth market with a steady economy.

UNEMPLOYMENT	POPULATION '80 VS. '70	RANKINGS
RALEIGH/DURHAM 5.2%	RALEIGH/DURHAM 21.6% GAIN	76TH METRO
NORTH CAROLINA 7.4%	NORTH CAROLINA 11.8% GAIN	50TH NEWSPAPER MARKET
UNITED STATES 7.8%	UNITED STATES 8.7% GAIN	39TH ADI
June '80 Employment Security Commission	Estimated 1/1/80 Consumer Market Data, Standard Rate & Data Service	Source Circulation 79/80 All rankings are based on population

The News and Observer • THE RALEIGH TIMES
Durham Morning Herald • The DURHAM SUN

With one rate/one bill via Branham /NEWSPAPER SALES

MARKETING PROFILES

"THE ALL IN ONE VITAMIN WITH EXTRA VITAMIN C."

Miles Laboratories' Flintstones vitamins introduced a version with extra Vitamin C.

"unmeasured" category.

Faced with stiffening competition in the candy business, particularly from arch rival Hershey foods, Mars for the second consecutive year poured most of its new ad dollars into the M&M/Mars candy division. Spending on the division's major brands—M&M's candies, Snickers, Milky Way, Starburst, Twix cookie bars, Three Musketeers, Summit cookie bars, and Forever Yours—climbed 46.4% to an estimated $36,063,300. The division's ad spending had climbed 51% the year before.

▪ Hershey's had four of its brands among the top 10 in one industry ranking of candy bars last year. While Mars brands occupied five of the top 10 spots, with Snickers in first, two of the Mars entries appeared to have slipped: Three Musketeers to sixth from fifth and Milky Way from sixth to ninth.

The DEBS Confectionary Marketing Report, from Distributor Concepts, credited Mars with 36% of the chocolate bar market based on sales through candy and tobacco distributors. Hershey, at 29%, appeared to be closing the gap.

Last year, the M&M/Mars division continued to put its biggest ad budget behind the M&M's candies brand, an estimated $8,400,000, up 14% from 1978. But ad support for Snickers nearly doubled over 1978 levels, up an estimated $3,200,000 to about $7,100,000.

▪ Slipping in the candy bar rankings, Milky Way and Three Musketeers got more modest 1978 ad boosts: Three Musketeers up 34% to an estimated $4,074,000 and Milky Way up 9.4% to about $5,700,000. Much of the division's added spending was thrown behind newer brands that went national last year: Twix cookie bars, with an estimated $4,545,000 in ad support, and Summit cookie bars, backed by an estimated $4,000,000 in spending. Mars last year promised a $7,500,000 advertising effort behind Twix with an equal amount pledged for promotion.

Forever Yours bars received virtually no measured media support last year, according to estimates. And Mars Almond bar is believed dropping from the company's product lines to be replaced by a reformulated brand known simply as the Mars bar. Sunday supplement ads offered a free bar in introductory campaigns this year. The Mars bar is expected to be national by this fall.

M&M's and Snickers stepped up their network tv spending last year, to an estimated $5,450,000 for M&M's and about $4,900,000 for Snickers, compared with about $4,480,000 in 1978 for M&M's and about $2,200,000 for Snickers. Spot tv was about $2,500,000 for M&M's and $2,200,000 for Snickers in 1979.

▪ Milky Way's estimated tv buy was split about equally between network and spot, about $2,800,000 in each category. The spot tv buy had declined from 1978. For Starburst, net tv spending was about $2,700,000 with spot tv at about $2,400,000, roughly a $1,000,000 increase in each category over 1978.

Twix was supported by an estimated $3,300,000 in spot tv and $1,275,000 in network tv in 1979. Network tv spending for Three Musketeers last year slid to about $1,860,000 in 1979 from $2,200,000 the previous year, but spot buys climbed from a few thousand in 1978 to about $1,170,000 in 1979.

Tv support for Summit was primarily in spot, about $3,130,000 last year, with network tv getting about $880,000.

▪ Ted Bates & Co., New York, handles M&M's, Forever Yours, Snickers, Starburst, Three Musketeers and Mars candy bars. D'Arcy-MacManus & Masius/de Garmo, New York, had Milky Way, Twix, Summit and new product for the M&M/Mars division.

Ad spending by Mars Inc.'s other candy division, Snack-master, slid to $500,000 or less, according to estimates for last year, from about $2,250,000 in 1978. Spending on the division's most heavily advertised bar, Marathon, fell to an estimated $270,000 from about $1,500,000 the year before. Its other brands are Skittles fruit chews, Munch peanut bar, and Bounty coconut bar. Snack-master brands, plus new products, are handled by D'Arcy-MacManus & Masius/de Garmo, New York.

Long a powerhouse pet food marketer in Europe, Mars restructured its agency lineup for the Kal Kan Foods division, taking away its remaining brands at Honig, Cooper & Harrington, Los Angeles—Kal Kan's new Mealtime dry dog food and Crave dry cat food—and shifting them elsewhere.

Mealtime, which went national in 1978, was assigned to Ted Bates & Co., New York, which already handles Kal Kan canned dog and cat food. Crave went to D'Arcy-MacManus & Masius, St. Louis, a shop long associated with Ralston Purina brands. D'Arcy, St. Louis, had been assigned MPS Chunks dog food by Mars in 1978 from Honig Cooper & Harrington. It also handles Thorofed canned dog food, transferred by Mars from Ted Bates & Co., New York, two years ago.

The Kal Kan Foods division spent an estimated $10,500,000 in measured media last year, off about 20% from 1978's estimated $13,300,000. The 1978 figure was ballooned by the national rollout effort for Mealtime, estimated to have been about $7,750,000 in ad support. Mealtime ad support slid to about $3,600,000 last year.

Market share estimates by analyst John Maxwell put Mealtime in eighth place among dry dog foods last year, with about $47,000,000 in retail sales. The category leader is Ralston Purina Dog Chow, with retail sales estimated at $330,000.

In the slow-growing canned dog food category, Kal Kan canned dog food ad support fell to about $2,200,000 last year from about $3,250,000 the year before. It ranked No. 2, at an estimated $111,000,000 in retail sales, behind category leader Alpo, a Ligget Group brand, with estimated sales of $161,000,000.

Kal Kan canned cat food, the third ranked brand in its category according to estimates, pulled away from its nearest competition last year, Ralston Purina's Purina brand, to reach estimated sales of $70,000,000. Ad support was an estimated $2,000,000, up from about $1,500,000 in 1978. The category leader is Heinz 9-Lives, with retail sales estimated at $155,000,000.

Kal Kan boosted spending behind Crave dry cat food to about $2,000,000 last year, from an estimated $650,000 in regional markets in 1978. Spending on Kal Kan MPS Chunks dog food, negligible in 1978, reached an estimated $580,000 in 1979.

In measured media, Kal Kan Products spent most heavily in tv: An estimated $2,000,000 last year for Kal Kan canned cat food on the networks; about $1,800,000 in network spending for Kal Kan canned dog food. Mealtime was supported by about $2,600,000 in network tv and $780,000 in spot tv. Crave cat food had about $1,850,000 in spot tv backing. There was also magazine support for Kal Kan canned dog food (about $386,000), Crave cat food (about $140,000) and Mealtime dog food (about $200,000).

Ad spending at the Uncle Ben's Rice division climbed 25% last year to an estimated $3,350,000. Much of the increase reflected introduction of SunCrisps, a frozen french fry made from rice, into Cleveland, Denver, St. Louis and Minneapolis last year; SunCrisp spending was estimated at about $560,000 for the year.

The division's Uncle Ben's brand lays claim to the No. 1 spot in the regular rice category. Spending for the brand was estimated at about $2,700,000, about level with 1978. But media dollars shifted out of magazines, which slipped from about $1,850,000 in 1978 to an estimated $660,000 last year, and into spot tv, which climbed to around $2,000,000 last year from about $800,000 in 1978.

The division also has introduced Uncle Ben's International Style flavored rices: British Style for beef, Greek Style Rice Pilaf, French Style rice for chicken and Indian Style curried rice. Its roster of national brands includes Converted Rice, Quick Rice, Long Grain & Wild Rice, Fast Cooking Long Grain and Wild Rice, Brown Rice and Stuff n' Such stuffing mix.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$2,401,100	$939,400
Magazines	1,927,800	3,236,500
Spot tv	24,666,700	18,102,900
Network tv	26,557,600	23,454,700
Spot radio	——	467,800
Outdoor	65,300	93,800
Total measured	55,618,500	46,295,100
Unmeasured	13,904,500	13,888,000
Total	69,523,000	60,183,100

M&M/MARS

Marketing Headquarters,
Hackettstown, N.J.

Howard L. Walter, president
Alun Jones, senior vp-mktg.

SNACK-MASTER

Albany, Ga.

Sam Dewar, genl mgr
Trevor Hogson, vp mktg

UNCLE BEN'S INC.

Houston

Thomas Armstrong, genl mgr
Rod Sands, mktg director

KAL KAN FOODS

Vernon, Cal.

Ed Conn, vp-mktg

ADVERTISING AGENCIES

Ted Bates & Co., New York—M&M's, Forever Yours, Snickers, Starburst, Three Musketeers and Mars candy bars—John Howard, exec vp-client services; John Fitzgerald, mgmt rep, Kal Kan canned dog and cat food, Mealtime dry dog food—Tom DeVito, mgmt rep, Gail Cerminaro, acct super, Kal Kan cat food; Les Koll, acct super, Kal Kan dog food; Howard Sonner, acct super, Mealtime dog food.

D'Arcy-MacManus & Masius/de Garmo, New York—Milky Way candy bars, new products, Twix and Summit bars, and Snack-master division brands—Charles McConnell, mgmt rep.

D'Arcy-MacManus & Masius, St. Louis—MPS Chunks canned dog food, Thorofed canned dog food, Crave cat food—Jack Bruemmer, mgmt rep; Bob Faust, acct super.

J. Walter Thompson Co., Chicago—Uncle Ben's rice products, SunCrisp frozen french fries—Brian Squiras, mgmt super.

Mingo Jones Advertising, New York—Uncle Ben's Converted Rice—Sam Chisholm, acct super.

CSI Advertising, New York—Uncle Ben's Converted Rice—Orlanda Davill[illegible], acct super.

Mattel Inc.

	1979	1978
Sales	$805,064,000*	$493,563,000**
Earnings	30,553,000	23,961,000†
Advertising	66,000,000	43,000,000†

†Revised
***Fiscal year ended Feb. 2, 1980**
****Fiscal year ended Feb. 3, 1980**

Mattel Inc., Hawthorne Cal., increased its advertising expenditures by 53% in 1979 to an estimated total of $66,000,000 placing it 67th among the 100 largest advertisers.

The Mattel spending total is primarily broadcast and print media spending but also includes production, sales promotion, direct mail, catalogs, trade exhibits and trade show participation, advance advertising and promotion for circus and ice shows, and co-op advertising.

▪ Mattel told shareholders in its annual report for the year that advertising accounted for about 35% of selling and administrative expenses totaling $200,378,000 for the year.

Net sales for the increasingly diversified toy, game, publishing and entertainment company increased by 63% to $805,064,000, due in large part to the acquisition of Western Publishing Co., with $200,000,000 in sales, with electronic games sales climbing a hefty 173% to account for $93,000,000 of the sales total.

Total toy product share of sales accounted for 62% of Mattel sales in 1979 compared with 81% the previous year, and toy products' share of operating profits declined from 91% to 75% over the period. This is in line with a management strategy aimed at reducing the company's dependence on what Mattel now calls the "highly seasonal traditional toy product categories" by expanding into new areas.

▪ One of these new areas is publishing. Mattel acquired Western Publishing Co., Racine, Wis., publisher of Golden children's books, for $121,000,000 in June of 1979 and added the Ice Shows traveling ice skating shows to its entertainment segment, which includes Ringling Bros. and Barnum & Bailey circus and Circus World. Entertainment revenues increased 50% to a total of $74,450,000 for the year.

Mattel attempted to diversify further into publishing with a bid to acquire Macmillan Inc., but the proposed deal fell through when other bidders, including American Broadcasting Cos., entered the picture.

Making news at Mattel during the year was the emergence of Mattel Electronics as a major unit within the company that held its own agency review (deciding to stay with Ogilvy & Mather, the agency for all Mattel toy advertising) and that began introduction of a combination tv game device and home computer called Intellivision (derived from "intelligent television").

The company had planned to start a full-scale national introduction of Intellivision before Christmas of 1979 but was forced to delay the complete rollout because of a shortage of silicon chips in the electronics industry. The drive got started earlier this year with extensive tv and print backing for the master component, themed, "It can change your family life" and designed to position Intellivision for its software benefits rather than as hardware.

▪ The Intellivision master component, priced around $300, creates the electronic games when hooked up to a tv set. The $500-to-$550 keyboard component, due in test market at Christmas, will perform personal computer functions such as tax preparation, stock analysis and foreign language courses programed on cassettes. Intellivision will be getting heavy support in the pre-Christmas period this year.

Mattel also hopes to establish a cable tv "connection" that will give consumers another reason to buy Intellivision. Four cable tv systems are participating in a test that offers subscribers about 15 Intellivision software game programs delivered by cable rather than by Intellivision game program cartridges sold over-the-counter around $30 each. PlayCable Co., a joint venture of Mattel and Jerrold Electronics, is conducting the cable tv experiment with Teleprompter in Rochester, Minn.; with Cox in Moline, Ill.; with United Cable in Boise, Ida., and with Time Inc.'s ATC in Jackson, Miss.

Mattel, creator of the Barbie doll now in her 22nd year of production, continues to call itself the largest "single" manufacturer of toys and electronic games despite the contention of General Mills' Creative Products group that it is the world's largest toy maker. Mattel claims 10% of the $3.8 billion U.S toy market and, concerns about the "seasonal" weaknesses of the toy business aside, the company is continuing to put major emphasis on the toy category. This year alone, Mattel added more than 240 new toys and product modifications to its toy line.

▪ The new items the company sees as especially promising include a new "soft body" doll that looks and feels like a newborn infant, a "See 'n Say" talking learning system for preschoolers, and Functronics Red Light/Green Light and Jacks electronics games for young children.

Former R. J. Reynolds Tobacco exec vp-marketing Robert E. Anderson took over as president of Mattel Oct. 1, 1979. Arthur S. Spear continues as Mattel chairman. Glenn A. Hastings, formerly president-ceo, American Optical subsidiary of Warner-Lambert, was named president of Mattel Toys U.S.A. and John W. Amerman, formerly president of American Chicle division of Warner-Lambert, became president of Mattel Toys International as part of a marketing restructuring of the company.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$ 450,800	$ ——
Magazines	1,678,800	1,222,600
Spot tv	19,727,900	18,353,300
Network tv	12,631,600	11,336,300
Spot radio	——	800
Outdoor	163,700	216,600
Total measured	34,652,800	31,129,600
Unmeasured	31,347,200	11,871,000†
Estimated total	66,000,000	43,000,000†

†Revised.

MARKETING PERSONNEL

Mattel Toys

Raymond P. Wagner, president
Glenn A. Hastings, president, Mattel Toys U.S.A.
John W. Amerman, president, Mattel Toys Intl
Thomas Kalinske, senior vp-mktg
Shelly Morick, senior vp-sales and distribution

Mattel Electronics

Edward Krakauer, senior vp-Mattel Toys and genl mgr, Mattel Electronics

ADVERTISING AGENCIES

Ogilvy & Mather, Los Angeles—Mattel Toys, Mattel Electronics—Bourne Morris, senior vp-managing director; Robert Stewart, senior vp. Mattel Toys; Tom Heinz, mgmt super; Steve Blinn, Thad Brown, Ed Judy, acct supers. Mattel Electronics: Buzz Brown, vp-mgmt super; Robert Sandelman, acct super

Mazda Motors of America

	1979	1978
Sales	$900,000,000*	$400,000,000
Earnings	28,365,600	22,217,600

*** AA estimate**

Mazda Motors of America (Central), Compton, Cal., a joint venture of Toyo Kogyo Co. Ltd. and Sumitomo Corp., and Mazda Motors of America (East), Jacksonville, Fla., a subsidiary of the C. Itoh & Co., is the 100th largest national advertiser having had an estimated 28% increase in 1979 ad spending to an estimated $28,365,600. This is the first time Mazda has made the 100 Leading Advertisers list since 1974, when its ad spending reached $18,500,000.

A marketer of automobiles and trucks and the fourth largest Japanese auto marketer in the U.S., Mazda put $14,982,800 into network tv advertising to build low levels of awareness of the GLC, RX-7, the new 626 models and B2000 pickup truck in the U.S. During 1979 the company more than doubled its U.S. sales to $900,000,000.

On a remarkable recovery drive since 1976 (in the past Mazda had been referred to as "The Chrysler of the Orient") Mazda introduced the fuel-efficient 626 two-door hardtop and four-door sedan in March, 1979. In 1979 Mazda sold a total of 165,000 units in the U.S. and for some models there continues to be a sizable waiting list.

Mazda began a comparative ad drive in fall, 1979, to back the 1980 line introduction, using the Linda Ronstadt song, "Just One Look," as its musical ad theme (although Ms. Ronstadt doesn't sing the song in the commercials). Foote, Cone & Belding/Honig, Los Angeles, has been Mazda's agency for the past eight years.

- Taking a comparative approach to establish Mazda's position within the import and small car market segment, Mazda 626 is compared to Honda Accord, Toyota Celica and Volkswagen Scirocco, while the GLC is favorably compared to the Honda Civic, Volkswagen Rabbit and Chevrolet Chevette. The RX-7 is described as an "exceptional value" in print ads which compare the sports coupe to Datsun 280 Z and Porsche 924.

Mazda started to rebuild its U.S. momentum after U.S. sales bottomed out to a mere 41,000 units in 1976. The company suffered severe image problems in the mid-1970s when Mazda cars achieved less-than-expected fuel economy and had some alleged rotary engine failures. An out of court cash settlement has ended litigation connected with the alleged engine failures.

The 1977 introduction of the GLC (which had a 1980 EPA rating of 29mpg in the city) was a better-than-predicted success. Mazda sold a total of 55,000 cars in that first recovery year.

In 1978 Mazda introduced the sporty rotary engine RX-7. In that year Mazda sold 80,000 units. The March, 1979 introduction of the 626 further solidified Mazda's competitive position in the U.S.

There are unconfirmed reports that an entirely new front-wheel-drive version of the GLC will be introduced in the U.S. in late fall 1980. The car is already being marketed in Japan as the Mazda Familia.

Planned for fall 1980 are revised versions of the RX-7 and 626 in late fall 1980.

Despite some price increases in 1979 due to inflationary pressures and the weakness of the dollar against the yen, Mazda's prices remain competitive. Mazda's GLC ranges in price from $3,945 to $5,095; RX-7 ranges from $7,945 to $8,695; the 626 ranges from $6,145 to $6,445 and the B2000 ranges from $4,995 to $5,795.

Mazda Motors of America markets its cars through two separate companies, Mazda (Central) and Mazda (East). Mazda (Central) markets Mazda products to 31 West Coast and Central U.S. states. Mazda (East) markets its products to 18 Eastern seaboard states. There are currently 759 Mazda dealers in the U.S.

Mazda parent Toyo Kogyo, Hiroshima, Japan, is the world's only auto manufacturer producing three different kinds of engines—gasoline, diesel and Wankel rotary.

ADVERTISING EXPENDITURES

	1979	1978
Magazines	$ 4,958,800	$ 4,406,800
Spot tv	5,794,200	3,066,100
Network tv	14,982,800	12,379,400
Spot radio	57,200	363,000
Outdoor	72,600	2,300
Total measured	25,865,600	20,217,600
Unmeasured	2,500,000	2,000,000
Estimated total	28,365,600	22,217,600

MARKETING PERSONNEL

S. Ikeba, natl adv coordinator

Mazda Motors of America (Central)

R.E. Hayden, vp-genl operations
H. Caudle, sales promo
D. Bowen, mktg mgr
B. Wolf, public affairs mgr

Mazda Motors of America (East)

E. Sundstrom, vp-genl operations
J. Trado, sales and mktg

ADVERTISING AGENCY

Foote, Cone & Belding/Honig, Los Angeles—W. Mansfield, group acct director; D. Remsing, acct director, natl adv; T. Cavanagh, acct exec; J. Arnold, acct director, distributor adv and sales promo; E. Ratcliffe, acct mgr.

McDonald's Corp.

	1979	1978
Sales	$5,385,000,000	$4,575,000,000
Earnings	188,608,000	162,669,000
Advertising*	202,807,500	154,000,000

*** AA estimate**
Restated total

McDonald's Corp., Oak Brook, Ill., the nation's 14th largest advertiser, continued its steady increase in ad expenditures with a 40% hike in 1979.

Systemwide sales for McDonald's totaled $5,385,000,000, up 18% over the 1978 total of $4,575,000,000. Net income hit $188,608,000, a 15% increase from the 1978 figure of $162,669,000. Sales in McDonald's restaurants outside the United States reached $936,846,000, up 29% from 1978.

Sales volume for McDonald's restaurants opened 13 months or more averaged $1,000,000 in 1979. The 1978 average for these restaurants was $942,000.

The company opened 562 new units last year, bringing the worldwide total to 5,747. Of those, 4,857 are located within the U.S. The remaining 890 stores are in 26 other countries and territories, includ-

1979 AD $ SUMMARY

See page 113

LNA

ing for the first time Brazil and Singapore. First units in Madrid, Barcelona and Copenhagen are slated for 1980.

At year's end, an additional 138 restaurants, 31 in international markets, were under construction. Of new U.S. restaurants in 1979, McDonald's built 30% in small towns with a population of less than 15,000, 10% in urban centers and about 60% in suburban and shopping mall locations.

▪ McDonald's placed continued emphasis on the drive-thru, building 993 in 1979. By the end of the year, the chain had 2,884 drive-thrus in operation. In addition, it began experimenting with a drive-thru only concept—no counter and no seating—in Los Angeles.

In October, 1979, McDonald's reorganized its marketing department, shifting from children and adult advertising divisions to product manager/special promotion groupings. The department was then subdivided into advertising and promotion units with adult and children's subcategories under each unit.

The marketing department includes 40 advertising managers and assistants located in regional offices throughout the country. Another 102 advertising agencies in the U.S. and around the world implement marketing programs at the local level.

All restaurants contribute a percentage of sales to OPNAD, the Operators National Advertising Fund, which is used to purchase national advertising. An additional percentage of sales goes to franchisees' advertising cooperatives that purchase local media and create promotions.

During the year, McDonald's marketing efforts placed a greater emphasis on promotions, particularly premiums aimed at children. The chain offered a Star Trek Meal, a special meal/game package for kids. McDonald's focused other promotional efforts on games with food and money prizes including its Diamond Hunt and Menu Mania contests as well as the more recent $6,000,000 Winning Combination.

▪ Local co-ops participated in product tie-in giveaways such as the "Breakfast with a Flair" and "Dinner with a Flair"—a free Flair pen with purchase.

Aside from the traditional promotions, McDonald's cut prices of its hamburgers and cheeseburgers by a nickel when beef prices dropped in August, 1979. But as inflation, high food and labor costs continued to hit the chain, McDonald's aggressively increased prices by 10% to 11%.

In May, 1979, the company introduced its "Nobody can do it like McDonald's can" campaign, which continues to run. A group of recording stars including Paul Anka, Gloria Gaynor, Seals and Crofts and Tammy Wynette participated in radio commercials kicking off the campaign. Heavy use of outdoor ads that emphasized food quality also characterized the campaign. Breakfast spots with Richie Haven voiceover tied into the campaign's theme.

More recently, McDonald's resurrected its "You deserve a break today" slogan of several years back in new advertising and added, "Nobody makes your day like McDonald's can." In summer 1980 tv spots, McDonald's used lead-in titles to heighten consumer awareness and featured the sound of food cooking in radio spots.

▪ After the campaign's introduction, McDonald's was forced to alter its "Nobody can do it like Ronald can" children's version. Rival Burger King objected that the campaign violated the children's section of the National Assn. of Broadcasters' code that disallows competitive comparison superiority claims or techniques. After appealing the board's decision, McDonald's subsequently changed the campaign while still featuring the venerable Ronald McDonald.

McDonald's stepped up new product activity and media support in 1979 and early 1980 with the continued rollout of the chopped beefsteak and McChicken sandwichs. The beefsteak sandwich was sold primarily as a dinner item in about 1,700 stores by mid-1980. The McChicken was served in more than 1,400 stores by mid-1980.

In addition, the chain tested Chicken Nuggets in 11 restaurants and ham and sausage and biscuits in about 248 stores in the Southeast by mid-1980. Various tests of salad bars, Onion Nuggets and the McFeast, a large hamburger topped with lettuce, tomatoes and onions, continued.

Significant pr programs for the year included: Network appearances by McDonald's All American High School Band; the band's standing-room only concert at Carnegie Hall with Lionel Hampton; a total of $2,300,000 raised in 1979 for the Muscular Dystrophy Assn.; the second annual McDonald's All American Game; and the operation at yearend of 12 Ronald McDonald Houses, homes-away-from-home for families of seriously ill children being treated at nearby hospitals.

ADVERTISING EXPENDITURES

	1979	1978
Magazines	$1,748,700	$468,200
Spot tv	75,334,200	66,319,600
Network tv	62,456,300	48,547,300
Spot radio	646,600	732,500
Outdoor	2,383,100	1,949,100
Total measured	142,568,900	118,016,700
Unmeasured	60,238,600	35,983,300†
Estimated total	202,807,500	154,000,000†

† Restated

MARKETING PERSONNEL

Paul D. Schrage, exec vp-chief mktg officer
Raymond S. Caruso, vp-mktg
Roy T. Pergold Jr., asst vp-director, adv and promo
Richard G. Starmann, asst vp-director, field mktg
Stanley Nicpon, director, natl mktg
David B. Green, director, natl mktg dept
Charles Rubner, director, natl sales promo
Robert Lins, creative director
Dick Johnson, director, business analysis
Don Lorr, director, mktg intelligence
Jim Rand, director, mktg devel
Kathy Henry, staff director, local stores sales devel
Jeff Franklin, staff director, community mktg

ADVERTISING AGENCIES

Needham, Harper & Steers, Chicago—Norval Stephens, mgmt rep; Jim Cerasani, acct director; E. James Charlesworth, field acct director; Harold McVeigh, asst field acct director; Phillip M. Morrow, field media acct super; Brian Goodall, acct super, adult; Anne Osberg, acct super, youth; Chris Shead, acct super, intl; Bill Welter, acct super, community mktg.

Burrell Advertising, Chicago—black consumer mktg

Conil Advertising, New York—Spanish consumer mktg

Golin/Harris Communications, Chicago—pr

Abelson-Frankel, Chicago—sales promo

Simon Marketing, Los Angeles—sales promo consultant

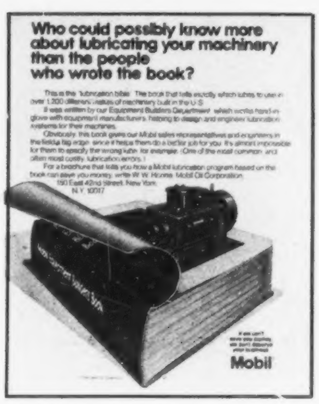
Miles Laboratories

	1979	1978
Sales	$595,281,000	$536,983,000
Earnings	2,410,000	18,060,000
Advertising	77,822,800	62,258,000

Miles Laboratories, Elkhart, Ind., the 59th largest national advertiser, increased its U.S. ad spending 25% in 1979 to $77,822,800.

Sales rose 11% in 1979 over the previous year to $595,281,000. Earnings, however, declined 87% from the previous year, reflecting, the company said, additional depreciation and amortization charges resulting from the assignment of new accounting values related to the company's acquisition in 1979 by Bayer AG. Earnings were $2,410,000 in 1979, compared with $18,060,000 in '78.

Outside the U.S., Miles had consolidated sales of $205,602,000 in 1979, a 19% increase and a figure that equaled 35% of corporate sales. The company's research expenses rose 30% last year to $35,881,000.


Who could possibly know more about lubricating your machinery than the people who wrote the book?
Mobil

Mobil ad offered a brochure on how a Mobil lubrication program can save money.

▪ Miles markets home medicines and vitamins nationally under the brand names of Alka-Seltzer, Alka-Seltzer Plus, Alka-2; One-A-Day, Flintstones and Bugs Bunny vitamins; Bactine, and Miles Nervine. The company's Bactine and Chocks brand vitamins are considered nonadvertised, nonsupported brands.

Other consumer products the company markets are S.O.S. cleaning products, Morningstar Farms and Worthington textured vegetable protein food products.

Outside the consumer arena, Miles markets prescription pharmaceuticals, diagnostics, dermatologicals, medical instruments, laboratory supplies, industrial chemicals, enzymes and food ingredients.

Miles sells its products through four operating groups: Consumer products, industrial products, professional products and prescription pharmaceuticals.

▪ The consumer products unit encompasses a consumer products division consisting of home medications and multivitamins and a grocery products division made up of household and food products. Sales in that group rose 7% in 1979 to $262,900,000. Despite the growth, however, consumer product sales accounted for only 44% of total sales, down from 69% a decade ago. This follows Miles' plan to diversify.

The industrial products group accounted for 21% of corporate sales, with the 1979 total reaching $126,200,000, a 13% increase over the previous year. Principal products are citric acid, enzymes and ingredients used in the processing of dairy products. The group comprises the Citro-tech, Enzyme Products and Marschall Dairy Ingredients divisions.

The professional products group, which accounted for 35% of corporate sales, had sales of $206,200,000 last year, a 15% jump over the '78 figure. The group includes the Ames, Lab-Tek and research products divisions and the Life Science Instruments department.

The Dome division, a separate unit and the company's arm for ethical pharmaceutical products, was renamed Miles Pharmaceuticals recently. Its 1979 sales are included with those of the professional products group.

Generally speaking, in 1979, marketing activities of Miles Pharmaceuticals were concentrated in three fields—dermatology, oncology and allergy—while preparations were made to enter additional markets. The first Bayer AG pharmaceuticals were made available to Miles during the year in the form of Mycelex and Mycelex-G. The former is designed to treat several topical forms of fungus, including athlete's foot, while the latter is for vulvo-vaginal candidiasis.

▪ In the consumer products group, the company said its Flintstones and Bugs Bunny multivitamins for children continued their growth patterns—due primarily to nutritious-minded consumers and appealing advertising campaigns. Ad spending in 1979 was up about $1,500,000 over 1978 to a total of $5,008,200, all of it in tv.

Miles launched two new chewable vitamin products—Flintstones with Extra C and Bugs Bunny with Extra C. Both are expected to be of interest to families with children now using a single vitamin C supplement with a multiple vitamin.

Adult multiple vitamins under the One-A-Day label continued their role as brand leader in the category. That product line was also extended recently with the introduction of One-A-Day Core C 500, designed for similar functions as the children's Extra C. Ad spending totaled $9,056,400, all of it going to tv. The figure was down from 1978 by $387,000.

▪ Alka-Seltzer sales were up modestly in 1979. "Plop, Plop/Fizz, Fizz" continued as the advertising theme, while the company brought back its Speedy Alka-Seltzer symbol for use in advertising and promotion as the 1980 Winter Olympic Games approached. Measured media spending totaled $18,000,000, with more than 70% going to tv. The figure was $2,000,000 more than that of 1978.

▪ In the face of a major new product entry and strong competitive advertising, sales of Alka-Seltzer Plus Cold Medicine remained steady. Chicago's heavy snowfall of 1979 provided background for a tv spot supplementing the testimonials first set in Buffalo, Boston and Minneapolis.

S.O.S steel wool soap pads continued as the leading scouring tool in the U. S. Sales gains during 1979 were aided by increased advertising support. National network tv was used as the major advertising medium. Ad spending, up nearly $1,000,000 from 1978, totaled $3,154,700, with all of it in tv.

Among the company's food products, the Morningstar Farms line reflected sales softness while Worthington Foods showed growth. Research activities continue to develop taste and texture improvements for all products.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$ 32,700	$ 120,200
Magazines	2,966,600	4,000,900
Farm publications	1,507,600	1,607,100
Spot tv	5,588,000	8,508,300
Network tv	33,685,400	27,979,600
Spot radio	328,100	399,200
Network radio	1,486,900	532,400
Outdoor	1,443,600	1,311,900
Total measured	47,038,900	44,459,600
Unmeasured	30,783,900	17,798,400
Total	77,822,800	62,258,000

You pass the Morton we'll pass the cash!
For $1 refund send us proofs of purchase from three different brands.

MortonNorwich Products' Morton salt ad offered $1 refund with proofs of purchase from three of its products.

CONSUMER PRODUCTS GROUP

G. E. Davy, corporate exec vp

CONSUMER PRODUCTS DIVISION
MARKETING PERSONNEL

J. F. Peil, vp-mktg, U. S. nutritional and medicinal products
S. M. Reim, director, proprietary medicine mktg.
M. B. Streicker, vp-mktg services
R. L. Novak, natl sales mgr
M. F. Neidorff, vp-intl mktg

ADVERTISING AGENCIES

Wells, Rich, Greene, New York—Alka-Seltzer, Alka-Seltzer Plus, Alka-2—Walter Holden, mgmt super; Kevin Shine, acct super.

J. Walter Thompson Co., New York—One-A-Day vitamin products—Robert Bird, vp, mgmt super; Glenn Meyers, acct super.

Tatham-Laird & Kudner, Chicago—Bactine, Nervine, Chocks, Chocks-Bugs Bunny and Flintstones vitamins—Timothy Collins, mgmt super; Dennis Roy, acct super.

Clifford A Botway, Inc., New York—network tv and radio buying—Clifford A. Botway, chairman; Edward Kobza, president.

Boger, Martin, Fairchild & Co., Elkhart, Ind.—overseas military and trade advertising.

GROCERY PRODUCTS DIVISION
MARKETING PERSONNEL

J. W. Grant, president
H. G. Fitts, vp-household prods operations
F. E. Gustafson, vp-mktg, food prods.
R. R. Rowe, natl sales mgr

WORTHINGTON FOODS
MARKETING PERSONNEL

A. R. Buller, exec vp
W. K. Case, general sales mgr
F. D. Poston, mgr, mkt devel

ADVERTISING AGENCIES

Doyle Dane Bernbach, New York—S.O.S soap pads—A. Kopelman, group vp; D. Maddox, mgmt super; F. Everett, acct. super.

Tatham-Laird & Kudner, Chicago—Morningstar Farm products—N. O'Meara, mgmt super.

Sieber & McIntyre, Chicago—medical adv.

Hameroff & Associates, Columbus, O—Worthington Foods.

INDUSTRIAL PRODUCTS GROUP

MARKETING PERSONNEL

R. B. Kocher, corp senior vp
D. J. Spence, vp-planning, new ventures
D. O. Maylath, mgr, mktg services
M. E. Freed, supv. adv/pr

CITRO-TECH DIVISION
MARKETING PERSONNEL

R. J. McGrath, president
W. W. Bissell, director, mktg—food ingredients
H. C. Stalter, director, mktg—industrial products
F. V. Coglianese, mgr, sales and commercial development, indt. mktg dept.
J. F. Johnston, vp-intl
J. C. Bakos, director citrate mktg-intl

ENZYME PRODUCTS DIVISION
MARKETING PERSONNEL

N. W. Meyer, president
A. A. Blaze, director, mktg.
W. G. Allen, genl sales mgr.
N. D. Hupp, director intl mktg—enzymes
R. M. Halcrow, director, Siebel operations (brewing ingredients)

MARSCHALL DAIRY INGREDIENTS DIVISION
MARKETING PERSONNEL

N. S. Shepard, president
V. G. Rowley, director, mktg—dairy ingredients
F. N. Robison, director, intl mktg, dairy ingredients

ADVERTISING AGENCY

Stephan & Brady, Madison, Wis.—Roman Biebing, president; Greg Brady, vp-acct super; Pamela Hickey, acct super; George Whitely, acct super.

PROFESSIONAL PRODUCTS GROUP

R. P. Schlegel, corp senior vp
J. A. Murphy, vp, group staff

AMES DIVISION
MARKETING PERSONNEL

R. H. Simon, president
J. A. Best, vp-mktg, home testing
J. T. Mulgrew, director, intl mktg
L. W. Cappel, director, sales-intl
J. J. Lavery, dir, sales—U. S.
H. L. Drye, director, mktg, U. S.
P. E. Doherty, director, mktg services
J. O. Cook, mgr, adv services
C. Perez, area mktg director—Latin America
S. Kanda, area mktg, director, Japan
A. Sabato, area mktg director, Far East

ADVERTISING AGENCY

Lavey/Wolff/Swift, New York—Matt Malkowitz, acct exec.

LAB-TEK DIVISION
MARKETING PERSONNEL

C. F. Neilson, president
R. F. Myers, vp-mktg
J. W. Williams, natl sales mgr
S. Johnson, super, mktg services

ADVERTISING AGENCY

Arnold, Hoff & Associates, Chicago—Fred Parker, vp, acct super.

RESEARCH PRODUCTS DIVISION
MARKETING PERSONNEL

D. A. Stauffer, president
J. V. Thomas, director, mktg
L. R. Hubbard, director mktg—Western Hemisphere

P. D. Bromfield, director mktg—Eastern Hemisphere
H. M. Free, director mktg ser

ADVERTISING AGENCY

Lavey/Wolff/Swift, New York—Mark Dimor, acct exec.

LIFE SCIENCE INSTRUMENTS MARKETING PERSONNEL

A. H. Clemens, vp
J. M. Shade, systems mktg mgr—North America
P. Wasser, systems mktg director—Europe

ADVERTISING AGENCY

Lavey/Wolff/Swift, New York—Ron Furedi, senior vp; Mark Dimor, acct exec.

MILES PHARMACEUTICALS

MARKETING PERSONNEL

R. Buell, president
J. A. Paolo, exec vp
W. Recknagel, vp-mktg
W. N. Sallee, vp-special projects, intl.
J. A. Bunce, vp, European devel (Stoke Court)
N. C. Nicholas, director, business planning
R. Yvars, director—mktg services
P. N. Goddard, mktg director, Europe and Asia/Africa (Stoke Court)
D. Reynolds, mktg mgr, Canada (Toronto)
E. H. Gomez, mktg director—Latin America

ADVERTISING AGENCY

Lavey/Wolff/Swift, New York—J. Noel, vp acct super.

Mobil Corp.

	1979	1978
Sales........	$48,241,000,000	$37,331,000,000
Earnings	2,007,000,000	1,131,000,000
Advertising*	165,840,600	163,043,200

*AA estimate

Mobil Corp., New York, the 20th largest national advertiser, increased its ad spending to $165,840,600 in 1979, up 1.6% from the 1978 total of $163,043,200.

The spending came in a year that saw company sales rise more than 29% to $48.24 billion at the same time earnings rose a whopping 77% to more than $2 billion. The sharp earnings increase, which has continued into 1980, became a major source of controversy during the year as the nation's oil companies encountered heavy criticism for their profit figures.

Worldwide energy operations continued to account for a vast share of Mobil's total sales and earnings. During the year, sales reached $42.59 billion, while earnings totaled $2.02 billion, 90.7% more than in 1978 (reported total corporate earnings were actually lower because they took into account corporate expenses and other adjustments).

■ Mobil chemical operations contributed $1.72 billion in sales and $113,000,000 in earnings, up 31.4%.

Two other Mobil interests, Montgomery Ward & Co. and Container Corp. of America, recorded more modest financial activities. Ward's saw sales of $5.25 billion, up slightly from 1978, while earnings plunged nearly 49% to $54,000,000. The company attributed the drop to a decline in sales of durable goods nationally. To exacerbate matters, Ward's reportedly suffered $46,000,000 and $36,000,000 losses during the first and second quarters of 1980, respectively.

■ Container Corp., on the other hand, saw its earning rebound in 1979 to $35,000,000, compared with $5,000,000 in 1978. Mobil said, however, profit margins remained depressed—despite sales levels that exceeded the $1 billion mark for the first time—because of "the inability to recover in the marketplace the sharply rising costs of production."

One bright development for Mobil was its discovery of evidence of hydrocarbons in the Grand Banks, near Newfoundland. More drilling will be necessary to determine how major the deposit might be, but as the price of oil rises, the discovery bodes well for the company.

Other discoveries were reported in the Sable Island area near Nova Scotia and off the shore of Cameroun in West Africa. Mobil also announced gas discoveries in Mobile Bay of Alabama and off the coast of Norway.

Current crude oil and natural gas liquid production, meanwhile, recovered slightly in 1979, rising to 2,200,000 bbls. a day—2,137,000 in 1978. Mobil attributed the gain to production in the British North Sea and in Indonesia.

Closer to the consumer, Mobil continued to maintain ad support behind its Mobil 1, a leader in the field of fuel efficient motor oils. The gas shortages of 1979 created an opportunity to highlight the fuel efficient message. Measured media support totaled $3,858,200, all of it in spot tv.

Ad spending for gasoline was limited by comparison, totaling $74,900 in measured media, most of it in spot tv. The company had planned a heavy campaign for its Super Unleaded, but the gas shortage preempted it.

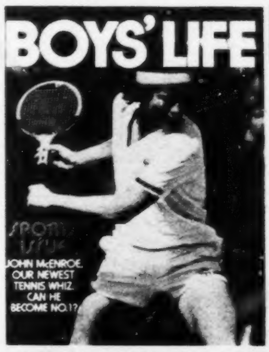
■ In the chemical division, Mobil trimmed ad spending for Hefty plastic trash can liners to $6,281,900 in measured media support, compared with $7,155,000 in 1978. Later in the year, however, the company launched a new $8,000,000 campaign for the brand—"Tough enough to overstuff" became the theme—without spokesman Jonathan Winters.

■ At Montgomery Ward, which is operated by Mobil's Marcor subsidiary, the company is attempting to pump some new life into the retailer's stores. Twenty-six units are to be refurbished extensively, and 24 others are to receive lesser touchups, as Ward pursues a two-pronged strategy emphasizing a discount operation in new markets and improved store presentation in existing ones.

One emphasis of this marketing strategy will be to upgrade fashion displays while keeping the merchandise at the same price.

Measured media support for Ward was increased to $29,648,300 in 1979, of which $29,214,300 went in spot tv.

When the male youth market is your target audience, you can't miss with



BOYS' LIFE
THE MAGAZINE FOR ALL BOYS
Published by the
Boy Scouts of America
(212) 532-0985 New York
(312) 782-6950 Chicago
(404) 939-8391 Atlanta
(213) 802-2571 Los Angeles

Ask your local Boys' Life salesman about our unique Christmas merchandising program. Call now—deadline for 4-color ads is October 1st.

Elsewhere, Mobil continued to maintain its status as one of the business community's strongest exponents of advocacy advertising. Such a profile, of course, brings much controversy with it, and 1980 has been no exception.

- Most of the discussion centered on oil company profits related to the steep climb in gasoline prices witnessed in 1979. When the CBS Evening News aired a report alleging that some of the price rise may have been induced by American oil companies themselves, Mobil spent $310,000 to take out two-page spreads in a number of newspapers to make a blistering attack on the network's newsgathering practices and reporting.

"CBS had prefabricated most of its report—and all of its thesis—about our earnings well before we announced them," the ad said. The company also criticized the three networks' refusal to air a paid Mobil response (hence the newspaper ads).

- Mobil's well known sponsorship of more sophisticated tv programing also got involved in the fray. Three Post-Newsweek tv stations pulled out of deals to air "Edward & Mrs. Simpson" because the syndication package included Mobil ads in the form of "fables" about energy.

The stations—which were later replaced by others—claimed they feared the strong ads would require the airing of opposing views, as required by the Federal Communications Commission's fairness doctrine. Public officials also criticized Mobil for the content of the ads, contending that they featured only one side of the energy question.

- Herbert Schmertz, vp-public affairs at Mobil, replied by saying: "There's no question in my mind that our opponents get far more exposure than we do. The imbalance is clearly against us."

With the debate in the foreground, Mobil managed to keep its usual advocacy advertising spotlighted by adding three more newspapers to the nine now carrying the familiar quarter-page essays. An estimated $6,000,000 has been budgeted to pay for those ads in 19[illegible]

Two of Mobil's top corporate officials also appeared prominently in the news over the last year.

One report listed chairman Rawleigh Warner Jr. as one of the highest paid executives in the U.S.

And Mr. Schmertz, vp-public affairs, joined the presidential campaign of Sen. Edward Kennedy for a brief spell as an adviser. That move raised some eyebrows as some observers had difficulty matching Sen. Kennedy's more liberal views and the conservatism of much of American business.

ADVERTISING EXPENDITURES*

	1979	1978
Newspapers	$5,775,100	$4,657,800
Magazines	3,994,400	3,439,600
Farm publications	1,995,500	1,811,000
Spot tv	36,931,600	33,294,300
Network tv	5,711,200	10,946,000
Spot radio	2,183,500	3,408,000
Network radio	—	253,000
Outdoor	148,200	54,500
Total measured	56,739,500	57,864,200
Unmeasured	109,101,100	105,179,000
Total	165,840,600	163,043,200

*From AA's usual sources

ADVERTISING EXPENDITURES

	1979
Newspapers	$7,750,400
Magazines	4,993,200
Farm publications	2,403,000
Spot tv	35,805,000
Network tv	7,161,200
Spot radio	5,508,700
Outdoor	467,000
Total measured	64,088,500
Unmeasured	109,101,100
Estimated total	173,189,600

**Figures provided by the company.

MOBIL OIL CORP.

CORPORATE PUBLIC AFFAIRS PERSONNEL

H. Schmertz, vp
R.P. Maxon, genl mgr
D.S. Stroetzel, mgr, communications programs
S. Ruch, mgr, cultural programs & promo

MARKETING & REFINING DIVISION

MARKETING PERSONNEL

R.L. Abbott, vp-genl mgr, mktg
D.L. Richardson, genl mgr, resale mktg
H. Hokamp, genl mgr, commercial mktg
K.C. Esty, genl mgr, mktg services
J.P. Landy, adv mgr

ADVERTISING AGENCIES

Doyle Dane Bernbach, New York—Mobil consumer & public affairs adv—Alan O. Pando, group senior vp; William H. Yankus, vp-mgmt super; Brian Craig, acct super; Anne Oliver, acct super; Barbara Best, acct exec; John White, acct exec.

Creamer Inc., New York—Mobil commercial adv—F.J. Dixon, acct super, Chicago—Mobil farm adv—Ron Horstman, acct super.

Keenan & McLaughlin, New York—specialized retail adv-Hugh Schick, acct super.

MOBIL CHEMICAL

Plastics Division

Consumer products Department
MARKETING PERSONNEL

Dominic Piazza, genl mgr, mktg & sales
K.R. Makowka, mgr, mktg services

ADVERTISING AGENCY

Ted Bates & Co., New York—consumer prods, Hefty bags, Hefty disposable prods—Don Ashley, senior vp.

Design Products Department

MARKETING PERSONNEL

Eileen Simpson, product mgr

ADVERTISING AGENCY

The Wittleder Co., Chicago—Ken Wittleder, president.

Commercial Films Department

MARKETING PERSONNEL

John Burke, product mgr

ADVERTISING AGENCY

Hutchins/Young & Rubicam, Rochester, N.Y.—Larry Smith, acct exec.

Packaging Department

MARKETING PERSONNEL

Robert Sax, mgr, graphics communications

ADVERTISING AGENCIES

Winterkorn, Hammond & Lillis, Rochester, N.Y.—industrial, Dan McCarthy, acct exec.

The Food Group, New York—institutional, Harry Delaney, acct exec.

Phosphorus Division

MARKETING PERSONNEL

R.C. Long, mgr, mktg communications
Dale Brown, mgr, communications services

ADVERTISING AGENCY

The Martin Agency, Richmond, Va.—Brad Lantz, acct exec.

CONTAINER CORP. OF AMERICA

MARKETING PERSONNEL

John Massey, director, communications
R.S. Best, group mgr, mktg communications
M. Dutton Morehouse, mgr, corp communications

ADVERTISING AGENCY

CPM Inc., Chicago—Norman Goldring, president, acct super.

MONTGOMERY WARD & CO.

MARKETING PERSONNEL

W.J. McCarthy, vp, retail merch mgr
John D. Flakne, asst retail merch mgr
A.H. Lemke, natl retail sales promo mgr & adv mgr
Carol P. Brewster, retail promo business mgr

ADVERTISING AGENCIES

Lee King & Partners, Chicago—John Tarini, mgmt super.

Media Bureau International, Chicago—Richard Pickett, president; Norma Wren, vp.

CPM Inc., Chicago—Norman Goldring, president; Roger Casty, vp, media director.

Philip Morris Inc.

	1979	1978
Sales	$8,302,892,000	$6,632,463,000
Earnings	507,881,000	408,581,000
Advertising*	291,201,50[illegible]	236,85[illegible],900

*Estimated by AA

Philip Morris Inc., New York, the fifth largest national advertiser, increased its advertising 13.5% to an estimated $291,201,500 in 1979, a year in which its cigaret and brewing operations continued to pace the company's record sales and earnings growth.

Consolidated sales rose 25.2% to $8.3 billion in 1979. Earnings were $507,881,000, a 24.3% gain over last year 1978. For the first quarter of 1980, sales were $2.2 billion, up 18.3% over the 1979 quarter, while earnings increased 21.3% to $138,032,000.

Consolidated operating revenues from tobacco products accounted for 63.8% of operating revenue and 82% of consolidated operating profit in 1979.

- The contribution of Miller Brewing Co., Milwaukee, to consolidated revenues and operating income were 26.5% and 15.2%, respectively. For the sixth straight year Miller continued to pace the industry. Its 14.5% increase in barrel sales increased its market share from 18.9% in 1978 to 21% in 1979, second in the industry to Anheuser-Busch, St. Louis.

The company's U.S. and international cigaret sales increased to 402 billion units, or 9% of the world market total of 4.3 trillion units in 1979. Philip Morris U.S.A., the company's largest operating unit, increased its domestic cigaret output to 177 billion units, or 28.9% of the U.S. market, whose volume totaled 612 billion units in 1979, according to the Maxwell Report.

Seven-Up Co., St. Louis, acquired by PM in 1978 for $515,000,000, spent most of 1979 in "transition" according to a PM senior officer. Operating income dropped from $40,306,000 in 1978 to $6,985,000 in 1979. Operating revenues jumped from $274,767,000 to $295,480,000 over the same period.

Seven-Up's year of transition included $48,000,000 in investments made in new packaging and advertising for its Diet 7UP and 7UP brands. Sports celebrities Larry Bird, John McEnroe, Earl Campbell and Sugar Ray Leonard were among the athletes involved in PM's "America's turning 7UP" campaign, created by its agency of one year, N W Ayer ABH, New York. Leo Burnett, Chicago, handles new products, of which PM promises there will be many over the next year as Seven-Up is converted into a full-line soft drink company.

- In March, 1980, Seven-Up announced that it would purchase the Taylor Group for $11,500,000, or four times its book value, in order to gain control of Taylor-owned I.B.C. brand root beer.

Philip Morris U.S.A. remained the fastest growing cigaret marketer in terms of absolute unit sales.

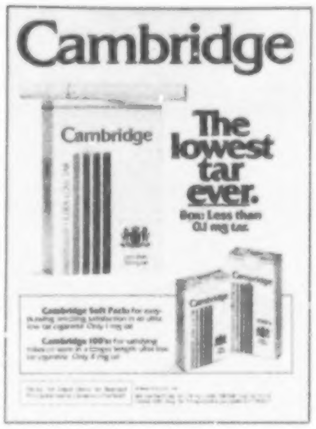
The U.S. market (including export totals), according to the Maxwell Report, was divided up as follows in 1979: R.J. Reynolds, 32.6%; Philip Morris, 28.9%; Brown & Williamson Tobacco, 14.4%; American Tobacco, 11.6%; Lorillard, 9.7%, and Liggett Group, 2.8%.

Lorillard and PM were the only companies among the six to show any share growth. A share point in the cigaret industry last year translated to $100,000,000 at the manufacturers level.

- The continued growth of PM's Marlboro and Merit brands has bolstered the company's market position in domestic and international markets, with Marlboro the best-selling cigaret in the U.S. and the world, and Merit the leading cigaret in the low-tar segment. R.J. Reynolds' Vantage and Lorillard's Golden Lights are other chief competitors in a market that is close to claiming 50% of all cigaret sales.

PM jumped into the ultralow-tar marketing fray this year by introducing Cambridge, a 100mm, 85mm and 80mm brand available in 4mgs, 0.1mg and 1mg tar levels, respectively. PM joins RJR's Now and American Brand's Carlton in the segment battle for the lowest tar cigaret on the market.

While PM continues heavy advertising spending for its Merit brand, this year it is expected to spend $60,000,000 on Cambridge, in an effort to take market share away from Carlton and Now, whose unit sales skyrocketed almost 50% in 1979. RJR, American Tobacco and PM all claim that they have the "lowest" tar brand with their respective ultralow-tar (under 5mg tar) entries.



Philip Morris' Cambridge cigarets is a new entrant in the low-tar market.

Domestic unit sales of PM brands in 1979 were as follows: Marlboro, 103.84 billion (up 2.8%); Benson & Hedges, 27.87 billion (up 1.1%); Merit, 22.7 billion (up 28%); Virginia Slims, 10.76 billion (up 10.4%); Parliament 7.7 billion (down 4%), and Saratoga 120mm cigarets, 2.16 billion (up 0.5%).

PM U.S.A. invested the following amounts in measured media for its brands in 1978: Marlboro, $31,781,500; Benson & Hedges, $24,106,300; Merit, $21,676,600; Parliament, $2,117,700; Virginia Slims, $13,100,600, and Saratoga, $1,553,600.

As all six major cigaret companies continued to battle for supremacy in the low-tar (under 15-mg tar) segment, four invested heavy ad budgets in their ultra-low-tar entries. While Lorillard continues to emphasize taste in advertising for its highly successful yearlings Triumph and Kent III (both at 3mg), Carlton, Now and Cambridge's "lowest" tar emphasis is an attempt to appeal to health-conscious Americans. All three brands come in less than or 0.01mg tar units, though these sell fewer units than the higher tar 100s.

According to Philip Morris annual report, world cigaret (excluding the U.S.) sales increased 1.6% to 3.7 trillion units in 1979.

Philip Morris International, which sells more than 160 brands of cigarets in more than 170 countries and territories, increased its share to 6% in 1979, compared with 5.5% in 1978. Marlboro accounts for about one-third of PMI's volume although Merit last year posted a 34% gain in international unit sales.

- PM U.S.A. this year announced the formation of a tobacco technology group designed to weigh the needs of international and domestic markets. With sales leveling off in the U.S. market, PM, like many of its competitors, is looking to take advantage of growing international markets.

Miller Brewing Co. continued to forge ahead in beer sales. Now in a hot race with archrival Anheuser-Busch, Miller increased operating revenues 21.9% to $2.2 billion in 1979. Miller's 14.5% increase in barrel shipments to 35,794,225 gave it a 21% share of the 167,428,000 bbl. domestic market.

Miller high life maintained its position as the nation's second best-selling beer (behind A-B's Budweiser), while Lite led the low-calorie segment. Lowenbrau, Miller's superpremium, gave what industry sources say is a strong performance in this segment, despite competition from A-B and Jos. Schlitz Brewing Co.

Miller Brewing and Anheuser-Busch continued to battle early this year as Lite spokesmen jumped ship to support A-B's Natural Light. Nick Buoniconti, Joe Frazier and Mickey Mantle were among the former Lite drinkers who state, "Taste is why you'll switch."

The ad campaign follows a year during which Miller accused A-B of misleading consumers into believing that its beers are natural products through the use of the word "natural" in its Natural Light and Chelsea advertisements.

Miller High Life ad support, principally in network and spot tv was $29,631,000 compared with $24,390,000 in 1978. Lite's support totaled $27,699,000, virtually all in tv.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$59,702,500	$52,013,700
Magazines	64,650,800	53,306,800
Spot tv	16,813,600	16,384,900
Network tv	86,590,900	67,054,600
Spot radio	4,629,200	5,118,900
Network radio	—	200
Outdoor	26,814,500	24,472,800
Total measured	259,201,500	218,351,900
Unmeasured	32,000,000	18,500,000
Estimated total	291,201,500	236,851,900

TOBACCO PRODUCTS DIVISION

MARKETING PERSONNEL

James Morgan, exec vp-mktg
James L. Thompson, vp-media
Robert A. Fitzmaurice, vp-director, brand mgmt
Jon N. Zoler, director, mktg rsch
Thomas R. Keim, asst director, brand mgmt
Robert F. Tracey, director, promo programs
Ellen Merlo, director, merch materials
Vincent Buccellato, brand mgr, Marlboro and Saratoga
Richard Stirlen, brand mgr, Virginia Slims and Cambridge
Herbert Foster, asst brand mgr, Virginia Slims and Cambridge
William K. Cutler, brand mgr, Merit
Alysia Cohen, brand asst, Merit
Robert P. Roper, brand mgr, Benson & Hedges
Lawrence E. Wilson, brand mgr, Parliament Lights
Claude Beck, mgr, media
Vincent Weiner, mgr, special promo & production

SALES PERSONNEL

Robert H. Cremin, vp-sales
J.P. Jeb Lee, vp-mktg services
J.J. Gillis, vp-natl accts & manpower development
Hawes Coleman, director, field sales
E.D. Blandford, mgr, natl field sales
Nathan Gold, director, region sales, New York
George J. Powell, director, region sales, Philadelphia
C. Thomas Littleton, director, region sales, Atlanta
D.E. Brandenburg, director, region sales, Chicago
Larry N. Glennie, director, region sales, Dallas
Ray H. Phillips, director, region sales, Denver
Marty R. Maitino, director, region sales, California

ADVERTISING AGENCIES

Leo Burnett Co., Chicago—Hal Adams, group vp; Bill Englebrecht, senior vp & mgmt director; Pete Volz, vp-acct super; Marlboro, Parliament Lights, Saratoga; John Benson, vp-acct super; Peter Metz, acct super, Merit, Cambridge; Paul Driggs, vp-acct super, Virginia Slims, trade and new products; Skip Long, acct exec, Marlboro; Neil Naroff, acct exec, Parliament, Saratoga and International; Bob Hall, acct exec, Merit; Scott Brewer, acct exec, Virginia Slims.

Wells, Rich, Greene—Alan Breward, senior vp-group head; Tom Derderian, mgmt super; Ray Marione, acct super; John Marchese, acct exec, Benson & Hedges.

MILLER BREWING CO.

MARKETING PERSONNEL

William A. Saupe, vp-brand mgmt
Lauren S. Williams, exec vp-mktg
David Smith, group product director
William S. Catlin, group product director
John Garner, brand mgr, Miller High Life
William Barrett, brand mgr, Miller Lite
Douglas Rogers, brand mgr, Lowenbrau
Leonard Goldstein, vp-sales

ADVERTISING AGENCIES

Backer & Spielvogel, New York—Miller High Life, Lowenbrau, Lite—Miller High Life: Randy Lindel, mgmt super; Dean Scaros, acct super; Michael Levine, acct exec. Lowenbrau: Jeffrey Palmer, mgmt super; Ed Keating, acct super; Mark Grossich, acct exec. Lite: Jeffrey Palmer, mgmt super; John Griswald, acct super; Vincent Falcone, acct exec.

SEVEN-UP CO.

MARKETING PERSONNEL

Albert Bissmeyer, senior vp-corp mktg
David Haffner, director, mkt devel-package goods
Charles Schmid, vp-director, sales
Gary Greenshield, director, mktg info & rsch
Jim Perabo, director, mktg services
Michael Gretz, director, new product devel
Tony Rebello, director, food service prods
Robert Britton, franchise director

ADVERTISING AGENCIES

N W Ayer ABH International, New York—Dom Rossi, super; Steve Bretschneider, acct super.

Leo Burnett Co., Chicago—Hal Adams Jr., senior vp-plans board chairman; John Peterson, senior vp-mgmt director; Robert Heller, acct exec.

PHILIP MORRIS INTERNATIONAL

MARKETING PERSONNEL

John Guthrie, director, mktg services
Edward Gray, director, mktg rsch

ADVERTISING AGENCY

Leo Burnett Co., Chicago—John Benson, acct super.

PHILIP MORRIS INDUSTRIAL

MARKETING PERSONNEL

William D. McCoy, president/ceo
Robert J. Moore, director of communications

ADVERTISING AGENCY

Graphics One Associates, Stamford, Conn.—Jack Bousian, acct exec.

MortonNorwich

	1979	1978
Sales*	$731,984,000	$656,733,000
Earnings	46,088,000	36,938,000
Advertising	49,209,800	36,182,000

* Domestic only

MortonNorwich, Chicago, the 80th largest national advertiser, increased its advertising budget approximately 36% in 1979, due primarily to a wealth of new product introductions. According to ADVERTISING AGE sources, U.S. advertising spending was $49,209,800 for calendar 1979.

Advertising outside the U.S. in 1979 rose to $2,538,000 from $2,376,000, the company said, a 7% increase over 1978.

▪ Sales of $731,984,000 in fiscal 1979 ended June 30, represented an 11% increase over sales of $656,733,000 in 1978. A 25% hike in income to $46,088,000 represents a $9,150,000 increase over fiscal 1977.

For the first nine months of fiscal 1980, ended March 31, sales increased 15% over the same period a year earlier. Income rose 14% to $44,674,000.

Last year was a very active one for MortonNorwich, especially in the household products and pharmaceutical divisions.

Texize, the household product division headquartered in Greenville, S.C., saw sales increase 22% and profits rise 23%.

The division, which prior to 1979 had several strong products in specialty cleaning areas, began moving into bigger categories with new products, taking on major competition from well established marketers. Texize entered the $1.7 billion heavy duty laundry detergent category, the $200,000,000 home insecticide market and the furniture polish area with new products.

At the beginning of 1979, Texize began the national rollout of Yes liquid laundry detergent with fabric softener. The company spent $5,148,500 in advertising for the brand in 1979. Of this total, $2,542,400 went to network tv, $2,767,200 to spot tv and $638,900 to magazines.

Also in the liquid laundry detergent area is the Spray 'n Wash brand entry, which entered test market in June, 1979. Tv spots call attention to "no sorting for stains" and "automatic stain removal." Spray 'n Wash heavy duty detergent, in its Charleston-Huntington, W.Va., test market, received $41,600 in magazine spending.

▪ Another new product in the laundry category is Vivid all-fabric bleach which entered test market in Buffalo and other markets in August, 1979. Vivid was supported by $400,400 in spot tv and magazines.

The Texize division took on a formidable rival in both the furniture polish and insecticide categories in 1979—S.C. Johnson & Son—when it introduced new products in areas long dominated by Johnson.

In September, 1979, Texize went into test in Kansas City and other markets with WoodPlus all-purpose polishing cleaner for furniture, spending $201,200 in spot tv and magazines.

And in the insecticide category, Texize entered through the acquisition of No-Pest strips from Shell Oil Co. The acquisition was final in March, 1979, and the company spent $1,898,500 in the balance of the year to promote the brand. Network tv got $1,500,800 in spending; $373,800 went to spot tv and $23,900 to magazines. Texize plans to develop other insecticide formulations under the No-Pest brand name.

▪ Mainstays of the Texize household products business include Spray 'n Wash soil and stain remover, which the company said has become its biggest trademark brand. Sales of Spray 'n Wash were up 10%. Advertising spending was $7,832,000, excluding newspapers. Of this total, $6,511,800 was for network tv, $955,800 for spot tv, $310,200 for magazines and $45,200 for outdoor.

Another prominent Texize brand is Fantastik, which claims to be the leader in the liquid spray cleaner category with sales for fiscal 1979 climbing 14%. Ad spending broke down to $3,489,100 for network tv, $1,984,600 for network radio and $2,500 for spot tv, for a total of $5,476,200.

Also rising in the Texize brand stable was Glass Plus, which showed a sales increase of 22%. Spending: Network tv, $4,867,700, network radio, $555,600 and spot tv, $48,200.

Pine Power, which was first marketed as a regional product, now is in national distribution. At the end of the 1979 fiscal year, it was distributed nationwide except for the Northeast. By early 1980, distribution in the Northeast was accomplished. The company said sales of Pine Power were up 35% for the year.

Texize was running tv spots comparing the brand with rival Pine-Sol, claiming that Pine Power gave the consumer "twice the power to clean." The National Advertising Division of the Council of Better Business Bureaus questioned the claim, but Texize said it was discontinuing the advertising for marketing reasons. Ad spending for Pine Power was $1,898,500. Network tv received $1,500,800, spot tv, $373,800 and magazines, $23,900.

Grease Relief, for use in the kitchen, got $1,806,400 in ad spending in network tv and magazines.

▪ In the corporation's Norwich-Eaton Pharmaceuticals division, sales were up 12%, but profits dropped 9%. The company attributed the profit decline to a less favorable sales mix, rising costs, increases in spending for clinical re-

KNOW THY COMPETITION

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LNA

search and increased advertising expenditures.

Pepto-Bismol, the division's leading brand, showed a sales increase of 9%. The company said the stomach preparation boosted its share of market in the over-all stomach remedy category for the fourth consecutive year, bringing it to an 11.7% share.

A total of $7,364,600 was spent to promote the brand, the bulk of the expenditure going to network tv for Pepto-Bismol liquid.

▪ Chloraseptic oral antiseptic-anesthetic showed sales growth of 10% in fiscal 1979, earning it a 36% share of the throat care market. Total spending for Chloraseptic was $1,943,800.

Norwich aspirin gained 41% in sales, the company said, with spending in magazines totaling $55,300.

New product activity in this division was in the contraceptive category. The Encare Oval vaginal contraceptive is said by industry sources to be the best-selling over-the-counter contraceptive aside from prophylactics. Sales were up 29% as the company moved the product into food store distribution and launched a national advertising program.

Magazine-only ad spending totaled $1,278,000.

▪ Also in the pharmaceutical division, Norforms feminine deodorant suppositories got ad spending of $1,629,700, breaking down to $1,078,600 on network tv, $481,300 in magazines and $69,800 in spot tv.

In the company's Morton Salt division, sales of salt were up 9% and profits were up 15%. These figures are for the U.S. only. Advertising for Morton salt totaled $665,900, including premium and sweepstakes offers. Morton salt substitute got $138,700 in measured media spending.

▪ MortonNorwich made some major management changes in fiscal 1979. John M. Kolbas moved from president of Morton Salt to president of Norwich Eaton Pharmaceuticals. Robert C. Hyndman became president of Morton Salt, moving from president of Morton Chemical, while Robert B. Covalt took over as president of Morton Chemical division from the post of group vp.

ADVERTISING EXPENDITURES*

	1979	1978
Newspapers	$ 1,791,400	$ 1,265,800
Magazines	4,412,700	2,734,000
Spot tv	7,339,200	5,253,300
Network tv	29,022,100	23,447,800
Spot radio	117,700	264,100
Network radio	3,224,200	1,869,000
Outdoor	45,200	1,400
Total measured	45,952,500	34,836,800
Unmeasured	3,257,300	1,346,000
Estimated total	49,209,800	36,182,800

*From AA's usual sources.

ADVERTISING EXPENDITURES**

	1979
Television	$30,138,000
Radio	2,457,000
Publications	5,069,000
Other	4,627,000
Total	42,291,000

**Domestic figures, provided by MortonNorwich.

MORTONNORWICH

NORWICH-EATON PHARMACEUTICALS

MARKETING PERSONNEL

J. M. Kolbas, president
I.T.W. Tosh, exec vp
P.N. DeTomi, director, mktg rsch

CONSUMER PRODUCTS GROUP—U.S.

MARKETING PERSONNEL

D. L. Wagoner, vp
J.D. Hartsfield, sales director
J.G. Clegg, field sales mgr
D.M. Howard, mktg mgr
J.F. Zweig, senior product mgr
S.A. Werner, product mgr
T.R. Franck, mgr, business devel
R.O. Watson, new product mgr

ADVERTISING AGENCIES

Benton & Bowles, New York—Pepto Bismol, Encare, Unguentine, NP-27—J. Boyd, mgmt super; P. Doody, acct super; O. Williams, acct exec.

Here's a Get-Together that's brand new!
Snack Shapes!
TWO NABISCO SNACK CRACKERS TASTE EVEN BETTER THAN ONE!

Nabisco's ad suggesting the combination of two of its cracker brands for a new taste treat.

James Neal Harvey Advertising, New York—Norforms, Chloraseptic—R. Tucker mgmt super; J. Ancles, acct super; E. Dosacher, acct exec.

Medicus Communications, New York—ethical, otc pharmaceutical prods—Melissa Gryczka, acct super; E. Johnson, acct exec.

PROFESSIONAL PRODUCTS GROUP

MARKETING PERSONNEL

D.R. Lee, vp
J.P. Shea, sales director
J. Terrell, mgr, business devel
R.A. Hillman, director, mktg
L.R. Pitzer, senior product mgr
F.S. Wilson, senior product mgr
D.R. Callahan, prod. mgr
R.J. Lauenstein, director of professional services
L.A. Greenwood, mktg services mgr

ADVERTISING AGENCIES

Kallir, Philips, Ross, New York—ethical pharmaceutical prods—Virginia Gotta, acct super.

Shaller-Rubin Associates, New York—ethical pharmaceutical prods—Mel Rubin, chairman; Jennifer DeLellis, acct exec.

NORWICH-EATON INTERNATIONAL

MARKETING PERSONNEL

W.D. Davies Jr, exec vp
J.F. Carlucci, mktg director
R. L. Jackson, new products mgr
M.D. Koopman, adv mgr

ADVERTISING AGENCIES

Lavey/Wolff/Swift, New York—ethical drugs—H. Townsend, acct super.

Van Brunt & Co., New York—consumer products—R.B. Barker, acct super.

BAYLOR LABORATORIES

MARKETING PERSONNEL

John Q. Adams—vp-genl mgr
Roger D. Brandt—vp-corp devel

TEXIZE

MARKETING PERSONNEL

J.F. Mayer, president
W.D. West, senior vp-mktg
G.E. Mercer, vp-mktg
D.D. Smith, director of new business devel
W.B. Miller, director of mktg rsch

ADVERTISING AGENCIES

Henderson Advertising, Greenville, S.C.—Fantastik, Janitor-In-A-Drum, K2r, Pine Power, Spray 'n Wash, Glass Plus, No-Pest, Texize Cleaner, new prods—R.W. Çallahan Jr., vp-mgmt super.

Liller Neal Weltin, Atlanta—Grease Relief, Yes, All Ways Soft, Wood Plus, new prods—R. Hemsley, senior vp.

McCaffrey & McCall, New York—new prods—M.R. Bowen, senior vp.

MORTON SALT

MARKETING PERSONNEL

R.C. Hyndman, president
C.F. Abel, vp-sales & mktg
R.L. Pierobon, vp-industrial/chemical sales & mktg
D.J. Baloun, mktg director
J.M. O'Connor, sales director
M.A. Eikleberry, consumer and industrial mktg director
D.B. Nilson, ice control mktg director
R.W. McDonald, communications director
L.T. Kozon-Mattes, mktg rsch director
G.C. Anderson, L.A. Koller, P. Kothe, J.R. Pfeil, R.E. Bravieri, product mgrs

ADVERTISING AGENCIES

Needham, Harper & Steers, Chicago—R.P. Laven, vp-senior acct director; A.W. Mitchell, G.T. Mrkvicka, acct execs.

Medicus Communications, New York, R. Hanbury, acct director.

MORTON CHEMICAL

MARKETING PERSONNEL

Robert B. Covalt, president
W.E. Micheel, exec group vp-packaging products, chemical specialties, industrial adhesives, brine chemicals, commodity chemicals, organic specialties
R.B. Kron, senior vp-div services, administration, strategic planning, new products devel, petro and industrial dyes
A. Seiling, vp-thermoset molding compounds
D.R. Woelffer, sales mgr-thermoset molding compounds
T.E. Nowakowski, mgr-dyestuffs
W.M. Hall, product sales mgr-dyestuffs
R. Berry, product sales mgr-industrial dyes
J.J. Fuerholzer, mgr-adhesives and coatings dept
R.T. Zamis, mgr-industrial and automotive adhesives
T.R. Moorer, mgr-commodity & brine chemicals
B.M. Garner, mgr-chemical specialties
P.L. Weyna, director-new product devel
K.S. Treviranus, mgr, organic specialties

ADVERTISING AGENCY

Sander-Allen Advertising, Chicago—C.A. Tornabene Jr, product devel mgr; W.E. Jenkins, associate product devel mgr.

Nabisco Inc.

	1979	1978
Sales	$2,362,000,000	$2,197,300,000
Earnings	99,800,000	101,553,000
Advertising*	91,295,000	90,900,000

*AA estimate

Although its sales were the highest ever recorded and by its own estimate worldwide advertising spending topped last year's, Nabisco Inc., East Hanover, N.J., the 51st largest U.S. advertiser, increased U.S. ad expenditures for 1979 only slightly, to $91,295,000.

Nabisco's measured ad dollars saw decreases in network television from last year's high of $56,506,100 to $49,963,000—a decrease of $6,542,200. Coupled with a slump in newspaper advertising from last year's $2,951,400, to $1,541,900, the decrease brought the total measured figure from $77,387,500 in 1978 to $72,861,300 in 1980.

Nabisco claimed a slight increase in worldwide media ad spending to $96,100,000.

Nabisco had record sales in 1979 of $2.3 billion, up 7.5% from last year's $2.19 billion. Net earnings were down 1.8% to $99,800,000. Last year's $101,553,000 had been the first year Nabisco broke the $100,000,000 mark in earnings.

▪ Nabisco unloaded its last German operation, B. Sprengel, in the fall of 1979. The branch had suffered losses up to $8,000,000 in 1978 and a downward spiraling ad budget that fell to roughly $1,000,000 in 1979.

Even with the diminished spending, network television still consumed the lion's share of the 1979 media budget. Nabisco spent 69% on network television, down from 73% in 1978.

Nearly 90% of its sales worldwide derive from Nabisco's food division, dominated by the biscuit division, but also including special products, food services, confectionery, and Freezer Queen Foods. U.S. food sales in 1979 reached $1,548,200,000, up from $1,412,100,000 of a year ago.

High sales in the food division were bolstered by several new product introductions in 1979. Wheatsworth stone ground wheat crackers reached national distribution in 1980, and new snacks in flexible foil packaging expected to go national this year include Wheat Chips, Cheese 'n Crunch and Buenos round tortilla chips. Two new snack introductions, Cheddar Triangles and Snack Shapes go national in 1980.

▪ Continuing its "America's Cookie Jar" theme, the cookie division put its 1980 ad pitch completely behind Oreo, now the world's largest selling cookie. Party Grahams, until this year only distributed regionally, will go national in 1980.

The biscuit division, including cookies, crackers and snacks, accounted for about $18,327,800 in measured advertising, down slightly from 1978. Individual brand leaders were Nabisco crackers, $7,849,600; Nabisco cookies, $1,317,000; Nabisco snacks, $3,752,900; Triscuits, $2,736,400; Premium Saltines, $2,071,200, and Ritz crackers, $2,835,700.

High media expenditures show up in the special products division with $3,290,200 for Nabisco Shredded Wheat; $1,513,300 for Tuna Twist sandwich and salad mix, and $4,753,100 for Milk-Bone dog biscuits, the leader in the market.

It was another down-year for Nabisco's J. B. Williams toiletry and pharamaceutical division, even though ad spending was higher than ever. Sales were down to $149,300,000 from $162,900,000 in 1978. Substantial declines showed in Rose Milk skin care products and PVM high-protein meal replacement powder.

The company cited intense U.S. competition to explain the dwindling sales and plans to invigorate the division with new products, promising not to dump hand and body lotion products despite the falling-off of Rose Milk products. Two new products have already gone national—Deep Down skin rub and First Sign nasal decongestant—and Health Works, a new line of shampoos and hair conditioners, is in test market.

Of the 22 products absorbing more than $1,000,000 in media advertising, one-half were in the pharmaceuticals and toiletries division. Geritol products showed the largest measured advertising outlay, with some $18,632,100 expended on liquid, tablets and vitamins.

Other high ad expenditures in the division went to Acu-Test in-home pregnancy tests, $2,429,100; Aqua-Velva aftershave lotion, $2,074,600; Femiron tablets, $1,181,600; PVM diet plan, $1,981,000; and the reformulated Sominex sleep aids, $3,980,000.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$ 1,541,900	$ 2,951,400
Magazines	6,744,900	5,462,600
Spot tv	13,868,500	11,947,200
Network tv	49,963,900	56,506,100
Spot radio	592,400	450,100
Network radio	149,700	67,200
Outdoor	———	2,900
Total measured	72,861,300	77,387,500
Unmeasured	18,433,700	13,512,500
Total	91,295,000	90,900,000

NABISCO INC.

MARKETING PERSONNEL

W. L. Abbott, vp-communications
Lou Rubinacci, mgr, media services

BISCUIT DIVISION

MARKETING PERSONNEL

J. Maxwell Enock, director, mktg, biscuit div
John DiBlasio, group brand mgr, cookies
William Stuart, group brand mgr, crackers
Don Bonardi, adv mgr
Mel Perlmutter, director-mktg, snack foods

ADVERTISING AGENCIES

William Esty Co., New York—crackers, cookies and snacks—Jeff Greene, mgmt super; John Hughes, acct super; Stever Aubrey, mgmt super, snack foods.

Parkson Advertising, New York—crackers—Dean Heitler, director, client services.

SPECIAL PRODUCTS DIVISION

MARKETING PERSONNEL

Sam Haines, vp-mktg
Ruth Brodsky, group brand, mgr, hot cereals, Dromedary prods
Steve Wilkerson, group brand mgr, ready-to-eat cereals
George Erfurt, group brand mgr, pet foods
Bob Bartz, director, mktg, protein foods

ADVERTISING AGENCIES

McCann-Erickson, New York—ready-to-eat and hot cereals, Dromedary prods—Alan Bender, mgmt rep; Lucy Loux, senior acct exec; Gary Schwinder, acct super.

William Esty Co., New York—pet foods, protein foods—Stever Aubrey, senior vp; John Scott, acct super.

CONFECTIONERY DIVISION

MARKETING PERSONNEL

Ned Bjornson, exec vp

ADVERTISING AGENCY

Arnold & Co.. Boston—Larry Green, senior vp, acct super.

FOOD SERVICES DIVISION

MARKETING PERSONNEL

Jack Mitchell, vp-mktg
Don Winters, group mktg mgr, food service prods
Andy Brain, group mkt mgr, vending & resale prods

ADVERTISING AGENCY

The Food Group, New York—Don Axelrod, president.

FREEZER QUEEN FOODS

MARKETING PERSONNEL

Jack M. Kenney, vp-mktg

ADVERTISING AGENCY

DiIorio/Wergeles, New York—Don Wergeles, acct super.

J. B. WILLIAMS CO.

MARKETING PERSONNEL

Morton Novick, exec vp-mktg & sales
Michael Santacroce, vp-director of sales
Gregory Kahn, vp-toiletries mktg
Theodore Styne, vp-pharmaceutical mktg

ADVERTISING AGENCY

Parkson Advertising, New York—Geritol, Sominex, Serutan, Zarumin, Aqua-Velva, AV Silicone, Rose Milk, 'Lectric Shave, Williams shave creams, Conti shampoos, Kreml hair preparations, Nikoban, Redwood, FemIron, Vivarin, Ace combs, 5-Day deodorants, Mon Triomphe and Williams advertising in Canada, Mega vitamins, Acu-Test, PVM—Edward Kletter, chairman; Philip Agisim, president.

ASSOCIATED PRODUCTS

MARKETING PERSONNEL

Sidney Merians, president, Everlon Fabrics Corp.
Noel Levine, president, Hygiene Industries

Nestle Enterprises

	1979	1978
Sales	$1,433,000,000	$1,306,000,000
Advertising*	85,978,600	77,919,300

*Estimated by AA

Nestle Enterprises, White Plains, N.Y., owned by Nestle, S.A., Vevey, Switzerland, is the 55th largest national advertiser in the U.S. Nestle spent an estimated $85,978,600 on advertising in 1979, an increase of 10.3% over its 1978 expenditures.

These ad totals include spending by The Nestle Co., White Plains, N.Y., Libby, McNeill & Libby, Chicago, and The Stouffer Corp., Solon, O. Nestle, Libby and Stouffer are wholly owned subsidiaries of Nestle Enterprises. Also included is ad spending by Beech-Nut Corp., Fort Washington, Pa., the privately held baby food maker acquired by Nestle in November, 1979. Nestle Co. accounts for the major portion of the ad budget.

U.S. sales for all products made and marketed by Nestle Co. rose from about $1.3 billion in 1978 to an estimated $1.43 billion last year. The parent company's worldwide sales rose about 9% to approximately $12 billion in 1979. Net income, registered at about $420,000,000 in 1978, increased to approximately $500,000,000 last year.

▪ Beech-Nut's sales have remained at about the $70,000,000 level for some time, giving it an estimated 16% of the baby food market behind Gerber at 65%. Heinz holds about 12%. Overseas, Nestle markets baby foods and infant formulas under different names.

In another acquisition, Libby, McNeill & Libby brought into the company fold NSB Foods, Los Angeles, marketer of foil-packet toppings and mixes sold at grocery produce section displays. The line includes such items as Salad Crunchies, a slaw mix and an apple glaze.

The Nestle food specialties division, formerly associated with FIDCO, became a business unit within the tea/culinary division. Among the brand names included in the division's specialty food area are Crosse & Blackwell soups and sauces, Cailler imported marmalades and confectionery products, Maggi bouillons and seasonings and Kavli Norwegian crisp bread. Last fall, Crosse & Blackwell Wine World began testing Beauval white and red French imported wines in Rochester and Syracuse.

▪ FIDCO will continue to operate as a division, with a line of cheese flavors and chicken-type flavors marketed industrially under the Spectra label. Additionally, FIDCO makes hydrolized plant proteins, Rogers Cheese, Maggi products, FID-BITS, Flavo-Bits and Nestle Vee-Kreme.

Nestle's measured media expenditures on its cheese brands dipped slightly to $718,300 from $721,000 the previous year. Of the 1979 outlay, the company spent

$306,300 to push Price's sandwich and snack spreads, $279,600 for Jarlsberg cheese and $132,400 to promote Wispride cheese and cheese spreads.

As coffee prices stabilized in 1979, the soluble market experienced moderate growth. Coffee consumption rebounded after declining through early 1978, when prices peaked.

Ad spending in 1979 for Nestle's Taster's Choice freeze-dried and decaffeinated coffees amounted to $12,157,700, a gain of $4,642,300 or 63% over 1978. Most of the budget went to network television.

Sunrise instant coffee, mellowed with chicory, was backed by nearly $10,000,000 in measured media spending, the second highest for any Nestle product last year and about the same amount spent in 1978. The allotment included $6,886,100 for network tv, $1,801,300 for spot tv and $1,604,700 for magazines.

Taster's Choice continued to be the dominant factor in the freeze-dried coffee category, outselling its nearest competitor by more than two-to-one. Nescafe instant coffee continued to promote its "world's largest selling brand" theme with high value coupons, consumer premiums and network and spot television. Measured media spending for Nescafe instant and decaffeinated coffees came to $7,362,600, some $3,500,000 or over 90% more than in 1978. Most of the increase went to spot tv which received $4,621,000.

▪ The chocolate division continued to promote its "real chocolate" theme for its semi-sweet morsels, cookie mix and chocolate bars despite escalating cocoa bean prices and generally flat sales of packaged candy products, according to wholesalers.

Nestle cookie mix maintained distribution of its four flavors: Chocolate chip—developed from Nestle's original Toll House recipe—sugar, peanut butter and oatmeal raisin.

During the year, the company spent over $2,100,000 in measured media dollars to promote its cookie mixes.

In 1979, Nestle spent $6,785,400 on the chocolate morsels, $4,877,000 on Nestle's Quik, $4,443,000 to promote the Nestle's Crunchbar, $3,773,500 for the $100,000 candy bar, $1,861,900 on Nestle's Cocoa Mix and $1,195,000 on the Nestle's Choco Lite candy bar.

Nestea maintained a dominant share in the pure tea market and continued its growth in the tea mix category. The mix line now includes Nestea iced tea mix, Nestea low-calorie iced tea mix and Nestea Light iced tea mix.

▪ Nestea brands were supported in 1979 with $4,974,600 in measured media spending, the lion's share going for network tv advertising of Nestea Instant tea.

In 1979, the company went national with Down Home lemonade flavored drink mix, using light ad support. Apple Sass apple flavored drink mix was introduced in Midwest markets. Additionally, Deer Park, New York's largest selling bottled water, was updated with a distinctive glass bottle.

Nestle spent $1,960,700 in measured media in 1979 to promote its instant Souptime soup mix line of nine flavor varieties and Souptime Bowl o Noodles, an egg noodle product introduced last year. Total Souptime spending was $2,830,300, or 59% below 1978.

Nestle LunchTime, a three-minute casserole for one was supported by $821,800 in media spending, mostly in spot tv. There are five flavors in the line. The product is packaged in a serving bowl and is made by adding boiling water.

Measured media spending for Libby, McNeil & Libby declined to $4,067,100 from over $6,000,000 in 1978. More than half the budget went for Libby's canned fruits. Some $2,600,000 was invested in magazines and more than $840,000 in spot tv. Network tv spending decreased from over $3,000,000 in 1978 to under $600,000 last year.

In 1979 Libby moved into Minneapolis and Pittsburgh with a new three-item line of milder-flavored sauerkraut carrying the International Recipe banner, using newspaper ad support.

Stouffer Foods spent $9,480,500 in measured media advertising last year. Stouffer frozen entrees received $4,143,300 and Stouffer frozen pizza garnered $3,256,900. More than $5,000,000 went to spot tv, $2,929,000 to network tv and $1,443,500 to magazines.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$ 4,867,200	$ 5,297,800
Magazines	8,663,000	4,400,500
Spot tv	29,037,200	30,116,800
Network tv	41,443,400	36,866,100
Spot radio	458,700	584,200
Network radio	847,200	—
Outdoor	123,800	133,800
Total measured	85,440,500	77,399,200
Unmeasured	538,100	520,100
Estimated total	85,978,600	77,919,300

NESTLE CO.

MARKETING PERSONNEL

P.D. Forsch, vp-mktg services
W.D. Yeager, director, ad/sales promo dept
S.H. Merry, adv mgr
I.S. Torbert, adv mgr
J.C. Smith, merch mgr
J.H. Burlick, sales promo mgr
R.J. Lauria, adv production mgr
H.J. Jendras, mkt rsch mgr
A.N. Dries, director, home economics/consumer services

CHOCOLATE DIVISION

W.I. Savel, vp-genl mgr
W.D. Bell, mgr, div planning
F.J. Arthofer, div mktg mgr, bar goods, grocery
V. Williams, group product mgr, Morsels, Choco-Bake
J. Ferri, group product mgr, Quik, Hot Cocoa mix
R. Wennerholt, product mgr, Morsels, Choco-Bake
R. Bartlett, group product manager, total bars
N. Fitton, product mgr, Quik
D.W. Frost, product mgr. Hot Cocoa mix
T.W. Fuchs, product mgr, Choco'Lite and $100,000 bars
F. Lapenta, product mgr, regular bars
R. Dudley, product mgr, baking mixes
M.R. Kessler, product mgr, test mkt products
S. Kaitz, product mgr, Morsel flavors

ADVERTISING AGENCIES

Leo Burnett Co., Chicago—Morsels, Quik, bar goods—W.S. Smith, mgmt director; Gary Kroll, chocolate grocery products; Mike O'Neal, acct super, confectionery.

N W Ayer ABH International, New York—Hot Cocoa mix, Nestle cookie mixes, $100,000 bar, new products—S. Mattison, mgmt super.

COFFEE DIVISION

S.W. Phillips, vp-genl mgr
J.T. Dono, mgr, div planning & devel
T. McInerney, mkt mgr, Taster's Choice, Nescafe, Decaf
M.W. Alcorn, mkt mgr, Sunrise
C.E. Krueger, product mgr, Nescafe group,

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MARKETING PROFILES

spray dried
J. Williams, product mgr, Sunrise, Decaf
J.R. Hall, product mgr, Taster's Choice
R.A. Carbonne, product mgr, Nescafe

ADVERTISING AGENCIES

Leo Burnett Co., Chicago—Nescafe regular & decaffeinated, Taster's Choice regular & decaffeinated—W.S. Smith, mgmt director; E. MacDonald, acct super, coffee.

Case & McGrath, New York—Decaf—P. McGrath, president.

N W Ayer ABH International, New York—Sunrise—S. Mattison, mgmt super.

TEA/CULINARY & FOOD SPECIALTIES DIVISION

W.R. Jones, group vp
W.I. McGirr, vp-genl mgr
T.J. Tanski, mkt mgr, tea products
V.M. Federico, group product mgr, Nestea 100%, Spec Tea Products
G.F. Gannon, product mgr, Nestea 100%
M.A. Mulholland, product mgr, Apple Sass and Down Home lemonade
K.B. Murphy, mkt mgr, culinary products
S. Sennas, product mgr, Souptime
C.L. Davis, mkt mgr, instant meals
R.A. Hiera, product mgr, Special Projects
R.F. Mutter, group product mgr, Crosse & Blackwell, Maggi
B.D. Millan, product mgr, Crosse & Blackwell, Maggi
N.D. Santaniello, product mgr, imported specialties

ADVERTISING AGENCIES

Leo Burnett Co., Chicago—Nestea instant tea products, Nestea canned iced tea, Crosse & Blackwell products—W.S. Smith, mgmt director; Mike O'Neal, acct super, specialty foods; M. Allen, tea & corporate new products.

Case & McGrath, New York—Down Home lemonade—P. McGrath, president.

N W Ayer ABH International, New York—Souptime, new products—S. Mattison, mgmt super.

WATER DIVISION

J.E. Cunningham, genl mgr
R. Speary, mkt/sales mgr, Deer Park bottled water

ADVERTISING AGENCY

Case & McGrath, New York—Deer Park water—P. McGrath, president.

CHEESE DIVISION

W.I. Savel, vp-genl mgr
M.C. Cronin, genl mgr
B.F. Weston, mkt mgr
C.R. Reynolds, group product mgr, new products
L.A. Marino, product mgr, imported cheese products
J.V. McConnell, product mgr, Wispride cheese
A.H. Lin, product mgr, Price's foods
P.A. Lanktree, product mgr, new prods

ADVERTISING AGENCY

Leo Burnett Co., Chicago—Nestle cheeses—W.S. Smith, mgmt director; Mike O'Neal, acct super, cheeses.

FIDCO DIVISION

W.R. Jones, group vp
V.K. Wipf, genl mgr
M.M. Bozzi, mgr, mkt devel
R.J. Huss, mkt mgr, Hydrolysates
B.J. Maloney, group mgr, government/contract sales
E.O. Elliott, mgr, government/contract sales
D.J. Donnelly, mgr, fund raising
L.J. Smith, mkt mgr, fund raising

FOOD SERVICE PRODUCTS DIVISION

W.R. Jones, group vp
L.D. Ledin, vp-genl mgr
C.M. Smith, mkt mgr
B.L. Gustaitis, product mgr, Taster's Choice, Everyday
J.J. Gagliardi, product mgr, Nestea Iced Tea mix, Hot Cocoa mix, Keen

BEECH-NUT FOODS CORP.

Fort Washington, Pa.

F.C. Nicholas, board chairman, president, treasurer
John M. Misita, vp-mktg
P. Faber, mktg mgr
J. O'Connell, mktg mgr
C. Lanktree, mktg mgr

ADVERTISING AGENCIES

Weightman Inc., Philadelphia—consumer advertising—J. Goodchild, mgmt super.

Arthur E. Wilk Advertising, Chicago—professional advertising—A. Wilk, mgmt super.

LIBBY, McNEIL & LIBBY INC.

Chicago

I.W. Murray, president & chief exec officer
J.W. Stevenson, vp-mktg
W. Cuff, vp-new product & mktg services
E.R. Wedral, vp-rsch & product devel
G.D. James, director mktg-meat products
B.G. Sandburg, director adv & package design
B.G. Mueller, director-mktg rsch

ADVERTISING AGENCIES

Tatham-Laird & Kudner, Chicago—canned meats, canned juices and drinks, vegetables, tomato products, new products—R.R. Cappelli, mgmt super.

STOUFFER CORP.

Solon, O.

James M. Biggar, president & chief exec officer
John Quaqliata, director mktg, Stouffer restaurants div
Robert Campbell, vp-mktg, Stouffer hotels div
Robert McGuigan, senior vp-mktg, Stouffer foods div

Nestle's Nescafe ad created a mood to market its instant coffee brand.

Gerald V. DeCroce, vp-mktg-all brands
Dave Alexander, mktg mgr-entree products
Ulf Anderfelt, mktg mgr-side dishes
Paul De Vries, mktg mgr-pizza
Milton C. Miles, new products mgr
Donald S. Ostrander, vp & genl mgr, Stouffer management food service div

ADVERTISING AGENCIES

Creamer Inc., Pittsburgh—Stouffer foods—Herbert E. Burger, president.

Wyse Advertising, Cleveland—Stouffer restaurants, hotels, management food service—Lois Wyse, president; Chuck Boggs, vp-group manager.

Nissan Motor Corp. in U.S.A.

	1979	1978
Sales†	$13,079,598,000	$11,015,687,000
Earnings†	417,659,980	312,631,326
Advertising†	66,082,900	61,492,200

† Worldwide; fiscal years ended March 31, 1980 and 1979; figures for fiscal 1978 restated, with figures for both years reflecting value of U.S. dollars and Japanese yen as of March 31, 1980.
‡ U.S. only, estimated by AA

Nissan Motor Corp. in U.S.A., Carson, Cal. (a subsidiary of Nissan Motor Co. Ltd., Tokyo), was the 65th largest national advertiser in 1979, with an expenditure estimated at up about 7.5% from 1978.

In the fiscal year ended March 31, the parent company, Nissan Motor Co. Ltd., reported sharply higher earnings as production, domestic sales and export shipments all reached new all-time highs.

Net income climbed 33.6% to $417,659,980 on sales of more than $13 billion for the fiscal year, compared with earnings of $312,631,320 on a volume of $11 billion a year earlier.

■ The Japanese manufacturer of Datsun cars and trucks produced a total of 2,590,697 units for the year (including 178,898 knock-down sets for overseas assembly), up 9.2% from year earlier figures. Domestic sales rose 3.1% to 1,228,941 vehicles, while overseas volume jumped 22.9% to reach 1,426,741 units.

Nissan Motor Corp. in U.S.A., the distributor of Datsun cars and pickup trucks in this country, also set a new sales record in calendar 1979, with higher fuel prices and a revamped lineup of fuel-efficient models contributing to the sharp gains. Total U.S. sales increased from 432,700 cars and trucks in 1978 to 574,166 units last year.

The best selling model in the Datsun line was again the 210 series, which sold 216,812 units compared with 133,771 in 1978. Despite the spurt in 210 sales, this series still placed second behind Toyota's best seller, the Corolla, which had sales of 274,934 in 1979.

Nissan's market share in 1979 amounted to 18.7% of import registrations in the U.S. The company ranks fourth in worldwide production behind General Motors, Ford and Toyota.

Datsun's 1980 model year saw a continuation of the creative umbrella "We are driven" developed by agency William Esty Co. The over-all effectiveness of this quality statement was boosted when the campaign put greater emphasis on a specific consumer benefit. One phase, for example, focused on "We are driven . . . to build America's most valuable cars."

Another new dimension was added to Datsun advertising in April, 1980, with the introduction of the copy line, "It's a long way to empty in a Datsun." The line took Datsun's gas mileage advantages and translated them to long-range driving. With this additional theme, the umbrella became "We are driven . . . a long way." Visually, the entire campaign was unified with a "gasoline gauge" graphic that communicated the same story in print, television and outdoor.

A number of new product introductions marked the start of the 1980 model year. One was the addition of a front-wheel drive GX sedan to the Datsun 310 line, along with increased available options that included a skyroof. The 510 line was introduced with a totally new NAPS-Z (Nissan antipollution system) engine which offered better performance with less gas, plus a new four-door hatchback which replaced the four-door sedan.

The totally new 200-SX, introduced in hatchback and hardtop versions, was voted "The most significant new imported car of 1980" by readers of *Car & Driver* magazine. Features of the redesigned car included a fuel-injected NAPS-Z engine, which offered performance and gas-saving economy. A T-bar roof was also made available as an option on the 280-ZX sports car.

Datsun's entire truck line also was completely restyled. Space inside the King Cab was significantly increased, enough to provide room for two jump seats behind the front buckets.

At mid-year, the whole 210 series received a facelift with new front and rear styling and a revised interior. Then Datsun entered the small four-wheel drive market with the Li'l Hustler 4x4 and King Cab 4x4. And to commemorate the 10th anniversary of the popular "Z" car, Datsun offered a special limited edition of the 280-ZX. Each 10th anniversary 280-ZX carried its own number on an engraved plaque.

■ Going into 1980, Datsun's media plan called for continuation of ABC-TV's Monday Night Football as the primary launch vehicle for the new line. Introduction of the all-new 200-SX was spearheaded by sponsorship of the premiere television showing of the motion picture "Jaws." The length of these two properties permitted the use of 60-second spots which promoted the 200-SX as the car that's "Gonna drive you like never before." Supporting these were 30-second 200-SX spots plus additional 30-second spots for individual car lines.

Spot tv and radio selectivity continued to be refined with emphasis on major sports events. Network tv, however, accounted for the biggest increase in the 1979 ad budget.

Datsun continued to place special emphasis on the college market with two programs. This consisted of the distribution of over 1,000,000 Student Travel Guides and the Datsun Student Advertising Contest to 195 colleges. This program was expanded to include a competition involving retail-oriented dealer advertising and the Datsun Focus Film Competition Awards. The awards are made to college level students involved in the art of film making.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$8,392,700	$4,365,900
Magazines	8,065,700	6,350,200
Spot tv	12,243,300	13,840,600
Network tv	20,690,900	19,310,900
Spot radio	5,697,900	7,834,000
Network radio	—	111,200
Outdoor	592,400	479,400
Total measured	55,682,900	52,292,200
Total unmeasured	10,400,000	9,200,000
Estimated total	66,082,900	61,492,200

MARKETING PERSONNEL

R.B. Kent, vp-mktg services
J.M. Opre, adv director
D. Kidman, natl sales promo/merch mgr
J.C. McDonnell, natl pr mgr
C. Briggs, media planning mgr
D. Finley, dealer adv mgr
H. Rieder, adv programs mgr

ADVERTISING AGENCY

William Esty Co., New York/Los Angeles—all Datsun vehicles—George Bench, mgmt super.

North American Philips Corp.

	1979	1978
Sales	$2,409,003,000	$2,184,011,000
Earnings	81,731,000	68,034,000
Advertising	44,179,375	42,200,000*

*Restated

North American Philips Corp., New York, the nation's 84th largest advertiser, increased its advertising some 4.9% to an estimated $44,179,375 in 1979.

Sales increased by $224,992,000, or 10%, and earnings by $13,697,000, or 20% from 1978.

Consumer electronics products, sold primarily under the Magnavox name, gained by $26,169,000 to $405,360,000; electrical consumer products, including Norelco personal care products, home appliances and lighting products, were up by $21,425,000 to $381,343,000; sales of additional consumer products and services, including brush products, furniture and musical instruments, rose by $4,481,000 to $280,937,000.

Also on the rise were electrical and electronic components, professional equipment and chemical and pharmaceutical products.

Magnavox products measured spending in 1979 totaled $8,896,600, up $140,780 from the year before. Ad support for color television sets alone amounted to $5,814,200, while multiproduct advertising accounted for $1,117,000.

■ Despite a gain in revenue for its consumer electronics products, the division lost $3,700,000 last year as unit sales of color tv sets to dealers fell, and the company's Magnavision videodisc player soaked up heavy startup investments.

Though color tv shipments declined 0.2%, the company outperformed the industry, which dropped 3.8% in unit sales from 1978. An Orderly Marketing Agreement signed with Japan in 1977 continued to limit imports from that country, but stepped-up imports from Taiwan and Korea exerted powerful price pressure in the category.

The Japanese have also maintained market share by establishing production facilities in the U.S., convinced the current administration will let import restraints on Japan lapse this year. Magnavox calculates that it gained market share last year in both the portable color tv and console/-combination color tv categories.

Last year, Magnavox also shifted its advertising agency, leaving William Esty Co. after a long relationship for Campbell-Ewald.

The color tv-radio-phonograph combo unit was allocated $189,300 only for spot tv time—25% of what was spent in this category in 1978. Magnavox invested twice as much, $1,162,600, than in 1978 in measured spending for its videotape systems, primarily in spot tv, with $242,000 going into magazines.

The Magnavision Optical Videodisc Player (VLP), manufactured and marketed by Magnavox, was introduced in 1979 in Seattle and Dallas, following its initial introduction in December, 1978, in Atlanta.

Earlier this year, the system reportedly had run into production and delivery snags in its test markets and had sold fewer than 10,000 units. In addition, Magnavox and MCA, which is acquiring programing and manufacturing discs, have been set back by deals that saw CBS Video Enterprises and numerous movie studios going with a noncompatible RCA stylus-on-disc-groove system.

■ Meanwhile, U.S. Pioneer Electronics Corp. in June began test marketing a disc unit in four cities, with planned national distribution in 1981. MCA said it would support Pioneer's compatible laser-optical player with its programing catalog.

Sales of the programable Odyssey 2 computer videogame system, first introduced by Magnavox in 1978, continued strong. Eleven new video game cartridges were marketed, bringing to 30 the number of its videogame displays available. The company spent $631,900 to advertise Odyssey, with $537,000 in spot tv and the remainder in magazines.

Responding to growing consumer demand, industry sales of videocassette recorders increased by 18% over the previous year. Magnavox continued to diversify its vcr product line with the addition of new battery-operated units and the introduction of a new, low-cost, lightweight camera. Scheduled for introduction this year was a six-hour vcr, featuring variable speed and freeze framing.

Audio industry sales declined from the previous year, especially in the console stereo and radio segments of the market. Although affected by decreased sales, Magnavox introduced 10 new audio console models featuring new record changers and tape cassettes. The company supported its stereo systems with $201,100, mainly on spot tv.

Magnavox increased its market share in modular audio while introducing nine new models; it responded to a market trend for component-look music systems by introducing a new Studio Series audio system of rack-mounted units.

■ Sales increases were reported for radios as Magnavox continued to expand its small radio product line with the addition of 10 new multiband radios and an LED clock radio. The company supported its digital clock radios with $101,700 in magazine advertising.

In North American Philips' electrical consumer products, accounted for mainly by its Norelco brand, healthy earnings for personal care products and home appliances were offset by reduced earnings for lighting products. The electrical consumer products division earned $48,900,000 on sales of $381,300,000 in 1979.

Norelco cord and rechargeable men's rotary razors, featuring the Silver Rotary Razor line, again achieved record sales and market share and further strenthened their No. 1 industry position. Norelco spent $9,131,100 in measured spending alone to advertise its electric and cordless shavers, including $8,532,400 in network tv. An additional $260,000 was spent in magazines.

The Norelco beauty care line remained profitable despite industrywide sales declines and severe price competition from private label manufacturers. Norelco spent $178,600 in tv advertising for its Curly Q Mist Styling Wand. New product introductions included the Curly Plus curling brush with mist and curl-release feature. Norelco slashed its budget to $66,000 in spot tv advertising to promote its hand-held hair dryers.

Retail promotions of Dial-A-

Brew coffee makers helped strengthen the company's No. 2 postion in the price-competitive drip filter coffee maker market. The Norelco 12-cup Ready Brew coffee maker with clock/timer was introduced as a top-of-the-line model. Norelco put $1,077,200 behind its coffee makers using spot and network tv except for $15,800 in magazine advertising for its Express coffee maker.

A rebate program for Norelco's Toaster Range again stimulated sales last year.

Spending for Norelco tape recorders and cassettes amounted to $345,900 in network and spot tv.

▪ Three new Norelco microwave oven models were introduced to what the company claimed was an excellent trade response and helped expand the distribution network. Norelco spent $283,800 in tv advertising.

Norelco's Home Patrol security system was not heavily advertised. Only $34,600 went into magazine and spot tv advertising compared to $63,000 in 1978 in magazine advertising when it was introduced.

Broader distribution of Alliance Genie garage door opener systems to the do-it-yourself market helped offset the adverse effects of a softening in new home construction and resulted in continued sales growth, according to the company. Advertising amounted to $3,593,400.

Norelco consumer light bulb sales increased with the help of the "Lightube" program featuring clear plastic packaging and gravity-fed displays.

Sales of professional equipment gained more than 13% to $465,540,000.

Measured spending for Norelco dictating equipment totaled $97,200.

North American Philips' other consumer products businesses also showed good growth in most areas, with the exception of LaSalle-Deitch Co., a supplier of furnishings for recreational vehicles and manufactured housing.

The company's Baker, Knapp & Tubbs subsidiary reported sharply higher sales and earnings, and completed the acquisition of Mastercraft Furniture Co. to supplement its manufacturing capability last year. Selmer Co., a manufacturer of musical instruments, also reported a rise in shipments and a pickup in market share, despite a decline in musical instrument unit sales by dealers.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$1,621,100	$1,740,200
Magazines	2,969,800	2,638,300
Farm publications	307,200	135,700*
Spot tv	8,549,600	10,890,200
Network tv	14,792,200	11,297,700
Spot radio	0	327,400
Outdoor	1,000	1,000
Total measured	28,240,900	27,030,500**
Unmeasured	15,938,475	15,179,500
Estimated total	44,179,375	42,200,000**

*Listed under Thompson-Hayward Chemical Co.

**Restated

CONSUMER PRODUCTS DIVISION

MARKETING PERSONNEL

Richard Q. Kress, president
John Grey, vp
J. Richard Gonzalez, vp, advertising
Robert Parson, vp, sales
Robert Moes, mgr-personal care group
Rober Liguori, mgr-microwave oven group
Patrick Campbell, mgr-appliance group

ADVERTISING AGENCY

McCaffrey & McCall, New York—institutional, electric razors, home appliances, personal care products—William Abrams, mgmt super; Jack Bloom, acct super; Harrell Lott, acct super.

MAGNAVOX CONSUMER ELECTRONICS DIVISION

MARKETING PERSONNEL

Kenneth C. Meinken Jr., president
Kenneth Ingram, senior vp-mktg & sales
Rita Hutner, vp-adv & pr
Donald Hall, director-pr

ADVERTISING AGENCY

Campbell-Ewald, Detroit—R.H. Schirmer, senior vp acct mgmt; Craig A. Denton, vp, natl acct super; S.T. Hayes, acct exec.

Norton Simon Inc.

	1979	1978
Sales†	$2,755,934,000	$2,428,797,000
Earnings†	124,250,000	115,814,000
Advertising*	163,187,830	144,581,000

*U.S. AA estimate

†Fiscal year ended June 30, 1979

Norton Simon Inc., New York, the 21st largest national advertiser, increased ad expenditures an estimated 13% to $163,187,830 in fiscal 1979. Worldwide sales paralleled the increase with a 13% jump to $2.76 billion, resulting in a 7% rise in earnings to $124,250,000. The figure represents a 50% sales increase in the last three years, due chiefly to NSI's Avis car rental division.

Worldwide revenues of Avis increased 23%, boosting profits 38% to an all-time high. Avis Leasing contributed an additional $122,000,000 to 1979 revenues. Discount air fare programs, growth in the leisure and business travel market and greater activity in the European market aided the increase, the company noted.

A 35% increase in marketing expenditures brought the total Avis ad spending to an estimated $8,102,800, with $7,356,300 supporting its rent-a-car business, placed mostly in network and spot tv. Worldwide advertising exceeded $20,000,000.

To retain its share of the $2.5 billion market, Avis introduced "Super Saver" rates for weekend and holiday rentals.

▪ In addition to acquiring a greater number of small cylinder cars to replace gas guzzlers, Avis expanded its "young used cars" program and sold 65% of its year-old fleet to retail customers. The division also expanded into U.S. used car sales operations by opening more sales outlets.

To speed up lines at the rental counter, Avis plans to introduce

MARKETING PROFILES

Wizard II, a more advanced online computer to supplement current Wizard I counter terminals.

In the fourth quarter of the fiscal year, Avis moved its domestic rent a car and used car assignments from Doyle Dane Bernbach, New York, to BBDO. Avis attributed the change to its "new emphasis on marketing and market research principles."

NSI's Hunt-Wesson foods also produced record sales and profits with increased advertising, greater marketing distribution and product line extensions. Growth was due primarily to gains in the convenience foods business and excellent profit margins on cooking and salad oil sales.

Leading National Advertisers figures listed expenditures for Wesson oil at $2,810,300, channeled mostly into network tv. NSI, however, noted that newspaper spending and heavy couponing actually boosted Wesson oil's ad total to $4,414,000 in 1979.

NSI also spent $6,601,400 to support its newest edible oil entry, Sunlite. The 100% sunflower oil, free of cholesterol, moved into national distribution this year to tap the health-conscious consumer market segment.

Southern Cotton Oil, a supplier of cottonseed oil to Hunt-Wesson and other users, registered substantial declines due to a significantly smaller cotton crop.

Through the largest promotional program in its history, Hunt-Wesson's "Free-for-All"—including $3,198,300 mostly in network and spot tv—offered consumers one free Hunt's tomato sauce, tomato paste, ketchup or Prima Salsa spaghetti sauce for every three of those products purchased. With Tony Randall as spokesman for the new "red strategy," Sunday supplement advertising brought the total bill to $5,131,000, according to NSI figures, and reached 80% of all U.S. households. The program helped Hunt's ketchup capture second place in the market behind Heinz.

■ Several of NSI's most advertised products in the convenience foods category include Orville Redenbacher's Gourmet Popping Corn and Hunt's Manwich sandwich sauce. With $4,844,600 in "innovative promotions," Orville Redenbacher outpaced competitors to become "No. 1 in its category hands down," an official said. Part of $20,000,000 in capital expenditures went to secure facilities for market expansion of both Orville Redenbacher and Sunlite oil.

Manwich sandwich sauce, with $4,231,800 in tv advertising, presented "thicker Manwich and Mexican-style Manwich line extensions, which helped stimulate growth. The sauce retains its position as the top sloppy joe product in the U.S.

NSI's beverage divisions saw greater activity in fiscal 1979 with acquisition of new wines and distilled spirits, market expansion, and new product test marketing.

Canada Dry spent $4,630,900 in advertising its beverages, with an additional $340,300 specified for its Canada Dry club soda. The No. 1 sparkling water in the U.S. market followed a "connoisseur's choice" ad theme, with Louis Jourdan as spokesman after food critic Craig Claiborne rated Canada Dry club soda ahead of most sparkling water products, including Perrier, in a *New York Times* taste test. That campaign was traded this year for one claiming, "America sparkles with Canada Dry." To help alleviate confusion in the market, the company has added the words "sparkling water" to the bottle's label. In addition, Canada Dry continued a separate campaign promoting ginger ale as an alternative to sweeter soft drinks, using the jingle, "Goodbye sweeties, hello Canada Dry."

Barrelhead root beer expanded into 11 new markets and 43% U.S. distribution with $1,372,000 in ad support using the theme, "Get your thirst over a Barrelhead, America," to reach a more contemporary, active target audience. Over-all, the world's largest mixer producer and fourth largest international soft drink marketer concentrated on its major products in '79, with less support spent behind flavor lines.

Nonfat Sippity, a 100% natural yogurt drink is new to test markets in the New York and New England areas. Aimed at the health-conscious consumer, it is said to have 100 fewer calories than the leading yogurt, as it is made with skim milk. Spur cola, a 99% caffeine-free soda, was discontinued from further test markets this year.

Distilled spirits operations ended fiscal 1979 with record sales and profits achieved largely through new marketing programs, price increases and improved margins on Johnnie Walker scotches.

In addition to $3,960,100 in ad support for Johnnie Walker Red Label scotch, Somerset Importers produced an industry first in a marketing promotion backed by $355,700 in outdoor and magazine support.

■ Johnnie Walker Black Label spent an added $235,400 over its $2,732,700 measured ad bill on the brand's fourth annual $40,000 Father's Day scholarship consumer contest. Black Label scotch support involved mainly magazine ads. Johnnie Walker Black had a 9.1% increase in annual case sales of 600,000 for 1979, up from 550,000. Johnnie Walker Red case sales were again 1,675,000, no increase over last year.

During 1979, Somerset Wine Co. acquired U.S. distribution rights for "Magic Flute," a white Austrian table wine of Alois Morandell & Sohn, as well as marketing rights to Veedercrest Winery of California's wines. The product line also was broadened with Midi wines from the Languedoc-Roussillon region of southern France, a moderately priced wine produced by the Vignerons Catalans and aimed at the value-conscious consumer. They will be sold under the Alexis-Lichine label, which has been expanded to include the modestly priced Petits Chateaux wines.

Tanqueray gin, supported by $1,752,400 in advertising, mainly magazines, increased its market share and passed the 775,000-case mark in 1979, according to *Business Week*. Somerset also saw Weller 107-proof and Weller Special Reserve bourbons double their contribution to profits as a result of price realignment begun in 1977. The change was made in anticipation of growing consumer preference for premium-price spirits. During the fourth quarter, Somerset importers also became exclusive U.S. importers of Wodka Wyborowa, assigning the brand to Dancer Fitzgerald Sample, New York.

Max Factor, led by a new management team, has initiated corrective measures and a turnaround strategy to reverse the fiscal 1979 loss resulting in a $12,500,000 deficit in NSI's cosmetics and fashion business. The loss was attributed to high manufacturing costs, an unfavorable product mix, excess inventories and high sales returns in domestic operations.

With its eyes on the future and expectations of profitability in 1981, a company official said Max Factor implemented a "back to basics" philosophy in advertising this year, with the bulk of media expenditures backing the Maxi cosmetics lines and Max Factor brand products, including Whipped Creme and Waterproof lines and the recently introduced Colorfast cosmetics.

Show your true colors with
Colorfast
long-lasting cosmetics.
They stay true—hour after glorious hour.
Flaunt it. Now there's a line of long-lasting cosmetics that lets you. Colors that keep on showing you off. Colors that keep on going strong—one glorious hour after another. Don't you love them!
DON'T YOU LOVE BEING A WOMAN!
MAX FACTOR.

Norton Simon's Max Factor ad for its Colorfast line of cosmetics.

Max Factor by LNA estimates, invested $113,200 in advertising Erace; $140,600 for eye makeup; $225,200 for lipstick; $142,600 for face makeup; $792,100 for mascara, and $623,900 for the Whipped Creme lines. A majority of the advertising total went toward magazines. Max Factor spent $1,871,500 on its Maxi mascara in 1979 and $1,323,300 on lip makeup advertising. These totals were divided among spot and network tv and magazines. An exec said the company expects marketing expenditures to be up 20% in 1981.

Promoted via the umbrella theme, "Don't you love being a woman," the new Colorfast line is said to be registering successful sales in 1980. A line extension, nail polish—"with an exclusive GlossWear formula and built-in top coat"—was introduced in May, 1980. Ads carry the tag line, "Because 10 resplendent fingers is a good rule of thumb."

The theme inviting women to take their faces to Maxi cosmetics also touts line extensions, including Maxi-Soft eye color pencils and Maxi-Color frosted sponge-on lip gloss. An official said these promotions have been effective and will continue into the new fiscal year. Both themes were created by Wells, Rich, Greene, New York.

In the spring of '80, Halston cosmetics introduced a "fresh look at pink" which, like Halston fragrance, sold mainly on its name value. Also introduced this year was a new line of Halston sportswear that reportedly has been well received. Halston Enterprises continues its licensee businesses, including men's apparel and luggage, women's shoes, handbags, loungewear and underfashions, and men's and women's fragrances and cosmetics.

Cheryl Ladd and Jaclyn Smith, as spokeswomen, helped boost McCall Patterns' sales and profits. "Patterns for Success" and "90-Minute Patterns" were two McCall firsts which "enjoyed outstanding success," according to NSI. They featured fashions geared to the career woman. With $936,300 in advertising covering magazines, network and spot tv and newspaper supplements, McCall continued its "One's free sewing spree—buy two patterns, take home three!" promotion. In hopes of producing similar successful results, McCall will run another coupon effort in *McCall's* magazine this fall with the theme, "Two for the money, one for three, buy two patterns, get one free." Also in the works for fall is a "sew up your Christmas list" holiday pattern ornament introduction to be advertised in *Family Circle's* "Christmas Helps" issue due out in October.

This year, in an effort to gain share in the soft sewing market, McCall introduced "McCall's Patterns, Sewing Fashion Magazine," a quarterly publication. "McCall's Pattern Fashion Pages" is another innovation to be produced for retail stores this fall, being described as a p.o.p. self-service merchandising concept. The company holds second place (23% share) in the market behind Simplicity.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	**$7,145,500**	**$4,707,600**
Magazines	**14,737,600**	**16,339,100**
Spot tv	**18,123,700**	**14,400,300**
Network tv	**21,530,500**	**18,241,700**
Spot radio	**711,500**	**524,500**
Network radio	**—**	**12,200**
Outdoor	**2,436,200**	**2,285,000**
Total measured	**64,685,000**	**56,510,400**
Unmeasured	**98,502,830**	**88,080,600**
Estimated total	**163,187,830**	**144,591,000**

NORTON SIMON INC.

Marketing Personnel

Joseph W. Daly, director, media
John McMennamin, director, mkt rsch & new prods
Arthur Ostrove, mktg director, beverages

AVIS INC.

Marketing Personnel

Albert W. Dold, vp-mktg
Charles A. Humm, vp-mktg
John C. Johansen, vp-mktg
Robert R. Mahmarian, vp-mktg, sales, rent-a-car
Edwin B. Lamont, director, mktg, rent-a-car
George E. Mead, vp-adv, rent-a-car
Robert F. McNamara, vp-sales, rent-a-car
Lawrence D. Mazur, director-mktg, car leasing
Charles M. Parker, vp-mktg, trucks
William R. Proud, director-mktg, trucks
Tom M. Swartele, vp-mktg, Europe

Advertising Agencies

BBDO, New York—U.S. rent-a-car, services, used car sales—Clark Hine, senior vp-mgmt super; William Kelly, vp-acct super.

BBDO International, New York—New York, London, Avis Europe, Africa, Middle East.

Baker-Lovick, New York—Avis Transport of Canada, Toronto—Allan Yeates, president.

David, Oksner & Mitchneck, New York—U.S. car leasing,—Mitchell Seigel, acct super.

Ketchum, New York—U.S. truck leasing—Chris Ebner, mgmt super; Robert Figa, acct super.

HUNT-WESSON FOODS

Marketing Personnel

Albert J. Crosson, exec vp
William J. Kissell, vp-consumer mktg
James F. Frawley, vp-mktg devel
Clifford A. Brennan, mktg director, tomato products
James M. Myers, mktg director, oil products
C.F. Elliott, mktg director, convenience food products
Richard A. Pike, director, media services
Joseph E. Potocki, director, merch sales
Robert H. Knies, mgr, graphic services
William Barnes, director, mktg rsch
G. Sterling Brady, mgr, sales forecast planning
William E. Luna, vp-genl sales mgr
David Hopwood, vp-food-service sales & mktg
Dale D. Hardner, director, mktg devel

Advertising Agencies

Botsford Ketchum, San Francisco—Hunt-Wesson, Snack Pack, Manwich, Orville Redenbacher's Gourmet Popping Corn, Big John's Beans 'n Fixins, Hunt's ketchup, Hunt's tomato sauce, Hunt's tomato paste, Prima Salsa spaghetti sauce, other tomato products.—Robert Kroyer, mgmt super; C.W. Branigan, acct super; J.L. Arthur, J.S. Matousek, T.D. Dickson and H.A. Roth, acct execs.

BBDO, New York—Wesson oil, Sunlite, Snowdrift shortening, Pfeiffer Foods—Robert Spofford, mgmt super; James Riley, acct super; Richard Hoyt, Mary Gael Senko, acct execs; Brooks Mohrman, asst acct exec.

Foote, Cone & Belding/Honig, Los Angeles—Reddi-Whip, Wesson Buttery Flavored Oil—Harry Landsiedel, acct director; Bruce Barta, acct exec.

CANADA DRY CORP.

Marketing Personnel

Richard Armstrong, president
Charles Thomas, vp-sales
Francis I. Mullin, vp-mktg
Edwin J. Ochmanek, vp-nat'l sales
John G. Clarke, mktg mgr, soft drinks

CANADA DRY—CANADA

Marketing Personnel

Norman Bosworth, president
R.M. Brown, adv mgr
R.L. Segal, mktg director
D. Neylan, product mgr, mixers

CANADA DRY INTERNATIONAL

Marketing Personnel

Nevill Williams, president

ADVERTISING AGENCIES

Grey Advertising, New York—Canada Dry—Stewart Hegleman, mgmt rep.

Foster Advertising, Toronto—Canada Dry Canada—Blair Campbell, acct exec.

Grey Advertising, Montreal—Canada Dry Canada—Lise Fortin, acct exec.

John Straiton & Partners, Toronto—C-Plus, Wink, Sport cola—Ed Martin, acct group.

SOMERSET IMPORTERS LTD.

Marketing Personnel

John E. Heilmann, president & ceo
Stuart L. Sax, senior vp-mktg
Vincent S. Machi, vp-mktg services
Ernest Feldman, vp-group mktg director
Roger Slone, vp-group mktg director
Richard F. Vreeland, vp-group mktg director
Richard J. Wonsik, vp-group mktg director
Marilyn C. Jerome, brand mgr
James F. Mullahy, brand mgr
Frank A. Muller, Anthony Palmisano, Robert P. Saunders, Albert J. Wagner, brand mgrs
Allen M. Friedman, director, creative services
Margaret E. Barrington, mgr, trade & pr
Pat Cortolano, mgr, mktg admin

SOMERSET WINE CO.

Marketing Personnel

H.F. Kurz, president
Alexander T. Sgoutas, vp-mktg
Richard J. Claflin, nat'l sales mgr
Linda J. Sichel, product mgr, imports
Steve Cousins, product director, domestic
Perry Kozlow, asst natl sales mgr

ADVERTISING AGENCIES

Smith/Greenland, New York—Johnnie Walker Red Label scotch, Johnnie Walker Black Label 12-year-old scotch, John Begg Blue Capp and John Begg Gold Cap 12-year-old-scotch, Tanqueray gin, Mandarine Napoleon liqueur, Hine cognacs,—Murray Platte, exec vp, mgmt super; Henry Wenthen, Keith Jackson, acct supers.

McDonald & Little, Atlanta—Old Fitzgerald, Cabin Still, W.L. Weller, Weller 107°, Rebel Yell bourbons, Canada Dry bourbon, Canada Dry vodka, Canada Dry gin, Aalborg akavit, Johnnie Walker Swing scotch, Crawford's scotch—Oliver Kiss, mgmt super; R. Maddock, acct super.

Avrett, Free & Fischer, New York,—San Martin premium California wines, Alexis Lichine French wines, Magic Flute wine, Pommery Champagnes, Settesoli wine—Keith Fischer, mgmt super; Peter N. Murray, acct super.

Dancer Fitzgerald Sample, New York—Wodka Wyborowa—Joseph Scutero, acct super; Joanne Matejcv, acct exec.

MAX FACTOR & CO.

Marketing Personnel

Maurice Weiss, exec vp-mktg/U.S. div
Jane Lewis, senior vp-creative services
Carol Corbett, vp-creative director
Stewart Brown, vp-adv director
Al Bistany, exec vp-U.S. sales

ADVERTISING AGENCIES

Wells, Rich, Greene, New York—Max Factor & Co.—Ken Markman, acct group head; Thomas Heck, David Renning, art directors; Jack Lund, acct super; Linda Bryant, Jeff Rogers, acct execs; Mara Connelly, Marcia Crace, copywriters.

HALSTON ENTERPRISES

Marketing Personnel

Michael Lichtenstein, mng director
Michael Pellegrino, mktg director

McCALL PATTERN CO.

Marketing Personnel

Robert Hermann, senior vp
Judy Raymond, vp-adv & promo services
Robert Gossett, vp-genl sales mgr
Richard Rogers, vp-gen merch mgr

ADVERTISING AGENCY

In-house

Judy Raymond, vp; Michael VanWinkel, adv mgr; Harry Savage, vp, NSI communications; Beverly Ellis, art director.

Noxell Corp.

	1979	1978
Sales	**$179,700,000**	**$156,408,000**
Earnings	**13,300,000**	**10,491,000**
Advertising	**40,216,285**	**34,942,764****

***AA Estimate**
****Revised**

Noxell Corp., Baltimore, the 89th largest national advertiser, has increased its advertising expenditures an estimated 15% to $40,216,285 in 1979 from $34,942,764 in 1978.

Noxell, marketer of facial makeup and skin creams, and some household products distributed under the Cover Girl, Noxzema, RainTree and Lestoil brands, reported net sales rose 15%

to $179,700,000 in 1979. Earnings also climbed 27% to $13,300,000 in 1979.

The company boasted an 18% increase in cosmetics sales and said that every Cover Girl product set a new sales record, the 18th year of uninterrupted sales gains for Cover Girl.

Cover Girl increased its advertising expenditures, spending an estimated $22,618,900 on network and spot tv and in major teen and women's magazines. The company continued its heavy promotion of its medicated liquid makeup with advertising spending totaling about $7,186,000, mostly in network tv.

Cover Girl's Moisture Wear makeup got $1,671,600, all in magazines, a substantial gain from last year's $509,700.

Noxell reported a 5% sales increase in toiletries and, unlike last year, increased advertising while holding prices stable. The company referred to 1979 as a "period of stabilization after several years of competitive growth."

Increased advertising was backed by talk of the "highly competitive nature of the skin care category." In particular, daytime and cable tv were added to the media schedule.

Noxzema Skin Cream, with most of its allocated $6,093,500 going to network tv, continues as the leading skin cream. This past fall, Noxell targeted the cream to two age groups by having Mariel Hemingway addressing teens while company spokeswoman Meredith Baxter-Birney spoke to older women. Ms. Hemingway stressed Noxzema as a cleanser, while Ms. Birney emphasized the moisturizing properties of Noxzema Skin Cream. Noxell had previously attempted to reach this older market by featuring Kathryn Crosby.

RainTree, a moisturizer in cream and lotion formulas, again cut its media spending in 1979 17% to $3,256,500.

Advertising expenditures for the eye makeup category dropped 37% to $643,100 in 1979. Spending for the mascara line increased 21% to $5,519,200, with most of that concentrated in network tv.

Noxzema shaving creams and gels, currently No. 3 behind leader Gillette Foamy and S. C. Johnson & Son's Edge, increased spending 12% to $1,567,500.

Noxell's Lestoil, still the No. 1 household cleaner, introduced its Deodorizing Rug Shampoo into the eastern market in 1978, and expanded it nationally in June, 1979, after it soared to the leading market share in the East. Ad spending for the product was boosted 265% to $1,571,500 in spot and network tv, used to support the expansion.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$ 89,200	$ ——
Magazines	9,649,900	6,113,400
Spot tv	4,105,800	3,591,406
Network tv	24,705,100	23,437,600
Spot radio	570,900	902,400
Total measured	39,120,900	34,044,800
Unmeasured	1,095,385	897,964*
Estimated total	40,216,285	34,942,764*

*Revised.

MARKETING PERSONNEL

George L. Bunting Jr., president
Marvin L. Hathaway, exec vp-domestic
R. G. Duke, vp-toiletry/household products mktg
F. J. Harrison, vp, cosmetics product mktg
R. H. Yeager, P. M. Troup, group product mgrs
E. H. Levering, vp-sales
D. J. Gallow, director of mkt rsch

ADVERTISING AGENCIES

SSC&B, New York—Noxzema skin cream, Cover Girl products, RainTree moisturizer, new products—T. Kirk Parrish, Harold Rover, exec vps; Paul LaStayo, F. Stone Roberts, senior vps; Frank LaRonca, Joan Savin, vps; Sallie Watling, acct super; Dorothy Scourby, Jane Leonard, Jody Goldblatt, acct execs.

William Esty Co., New York—Noxzema shave cream (regular, Menthol, lime and Wild Forest), new products—Richard van den Bosch, mgmt super; Steve Moynahan, acct super, Elizabeth Halaki, acct exec.

Foote, Cone & Belding, New York—Lestoil, new products—James Guthrie, group mgmt super; David Kreps, mgmt super; Susan Byrne, acct super; Eileen Lynch, acct exec; Maria Malone, acct coordinator.

Case & McGrath, New York—new products—Pat McGrath, president, acct mgmt, Gene Case, partner, creative director.

Scali, McCabe, Sloves, New York—new products, chili—Richard Roth, senior vp, mgmt super; Stuart A. Epstein, vp, acct super.

J.C. Penney Co.

	1979	1978
Sales	$11,274,000,000	$10,845,000,000
Earnings	244,000,000	276,000,000
Advertising*	122,000,000	125,000,000

* Estimated by AA

J.C. Penney Co., New York, the 38th largest U.S. advertiser, spent approximately $122,000,000 on national advertising in 1979. Penney's over-all advertising spending worldwide in 1979 came to $278,000,000, down about 2.5% from $285,000,000 in 1978. AA figures do not include catalog preparation and distribution costs or Penney's retail advertising for individual stores in local newspapers.

Sales in 1979 rose 4%. The volume of $11.3 billion broke last year's record of $10.8 billion, but increased operating expenses pushed earnings down 11.6% to $244,000,000.

J.C. Penney Stores demonstrated small sales increases in 1979. Sales of full-line stores were $6.8 billion in 1979, compared with $6.6 billion in 1978. Soft-line stores generated $2.54 billion in sales, compared with the previous year's $2.52 billion. Because of inflation, both full and soft-line sales suffered losses in real profits in 1979.

Catalog sales rose 20.1% to $1.46 billion in 1979, surpassing last year's record of $1.2 billion. Of this, $1.1 billion came from sales through catalog centers in stores, while mail order and outlet store sales of $264,000,000 made up the remainder.

The Treasury stores registered losses for the sixth consecutive year, despite a 2.1% gain in sales to $418,000,000 in 1979. Three of the 37 Treasury stores were closed in 1979.

Drugstores, operating as Thrift Drug or The Treasury Drug Center, climbed 17.5%, from $348,000,000 in 1978 to $409,000,000 in 1979. During 1979, Penney opened 20 new drugstores and closed four others. By year's end, 351 drugstores were being operated. Profit increases were attributed to improved control of operating expenses.

In an effort to stimulate consumer traffic, Penney in 1979 signed an agreement with Visa U.S.A., allowing Visa cards to be accepted at more than 2,000 outlets. Penney continued to promote its own credit card which in previous years accounted for more than 40% of the company's sales.

Catalog sales showed a far better growth rate than retail sales in 1979. This was due partly to the program's expansion, with some credit given to the fuel crisis. For Christmas, Penney distributed its gift idea book for the third consecutive year. Penney sent its gift book to consumers relatively late, in the second week of November, at a time when customers were expected to be closer to making gift buying decisions.

Penney's main merchandise categories are women's apparel and accessories, men's wear, children's wear, leisure and automotive equipment, home furnishings and home improvement items. Approximately 36% of Penney's measured ad budget in 1979 went to support clothing. The J.C. Penney Fox shirt, introduced to compete with the Lacoste shirt and its famous alligator logo, is now the No. 1 selling men's knit shirt after two years on the market.

Penney stores ran fewer reduced-price events in 1979 and stressed long-term campaigns in its advertising. It used magazines substantially more and tv and radio slightly less than the year before.

The most heavily advertised product areas in all media included $7,149,600 for J.C. Penney Auto Centers, auto accessories, car batteries and tires; $6,975,300 for family and children's sportwear and shoes; $5,618,600 for men's shirts and sportswear, and $4,283,800 for women's apparel, apparel accessories, sportswear, dresses and other clothing items.

Of Penney's $46,874,000 in measured media spending, $21,365,500, or about 47%, went to network tv in 1979. This represented a 28% decrease from 1978's network spending of $29,674,300. The allocations: $6,090,800 for auto accessories, batteries and tires; $3,178,000 for Penney's Home Entertainment Center; $2,599,400 for men's sportswear, and $2,487,700 for family shoes. An additional $2,246,000 was spent on miscellaneous items.

ADVERTISING EXPENDITURES

	1979	1978
Magazines	$7,458,900	$3,932,300
Spot tv	16,908,900	19,223,500
Network tv	21,365,500	29,674,300
Spot radio	——	740,700
Network radio	866,700	1,671,600
Outdoor	133,900	142,500
Total measured	46,733,900	55,384,900
Unmeasured	75,266,100	69,615,100
Estimated total	122,000,000	125,000,000

J.C. PENNEY CO.

MARKETING PERSONNEL

Howard Evans, vp-director, corporate mktg
Lou Bremer, mgr, mktg communications
John Lucas, mgr, adv
Jim Boynton, mgr, media services
Bob Allen, mgr, sales plans
Karen Rosenman, mgr, merchandising publicity
Bob Jung, mktg publications coordinator
Tom Jewell, mgr, visual merchandising
Warren Parker, mgr, presentation
Dean Clopton, mgr, packaging and labeling
Bill Speer, mgr, store interior design devel
Sid Stein, mgr, mkt rsch & planning services

ADVERTISING AGENCIES

McCaffrey & McCall, New York—natl adv—William Vieser, senior vp, group acct super; Peter Seymour, acct exec; Joseph Foristel, vp-acct super.

Wells, Rich, Greene, New York—J.C. Penney Financial Services—Ken Olshan, mgmt super; Mike Temaris, acct super.

PepsiCo Inc.

	1979	1978
Sales	$5,090,567,000	$4,300,006,000
Earnings	264,855,000	225,769,000
Advertising*	212,000,000	156,000,000

* Estimated by AA

PepsiCo Inc., Purchase, N.Y., the 11th largest national advertiser, increased U.S. advertising about 36% in 1979 to an estimated $212,000,000.

PepsiCo's earnings rose 17% to $264,855,000 from $225,769,000 in 1978. Sales were $5.1 billion, surpassing the $5 billion mark for the first time and increasing over 1978 by 18%.

The company's beverage division increased its advertising expenditures by 39% in 1979 to $60,500,000, while increasing its share of the soft drink market by 7.5% to 24.2%. Additionally, the division's advertising budget for 1980 has been further increased to $80,000,000.

Pepsi-Cola alone had a 17.9% share of the soft drink market in 1979, compared with 23.9% for arch rival Coca-Cola. Pepsi, however, increased its share slightly while Coco-Cola's dropped by 2.4%. Pepsi-Cola claims the distinction of being the leading soft drink in the take-home market, as well as the largest selling product of any kind on grocery store shelves. It is the flagship of the company's operations, which also include snack foods, food services, sporting goods and transportation.

With a new franchise in Bulgaria and a bottling operation added in Belgium, Pespi-Cola now is available in 144 nations and territories outside the U.S.

- PepsiCo boosted ad spending for Pepsi-Cola by 6% in 1979 to $35,000,000. Supporting this increase was the largest promotional effort in PepsiCo's history, "The Magic of Walt Disney World," held in the fourth quarter of the year. Backed by $12,000,000 in ad spending at an annual national rate, it was the result of tie-ins with Walt Disney Productions, Eastman Kodak and Eastern Airlines. Gift items were offered for proof of purchase on Pepsi and Mountain Dew.

Pepsi "challenge" advertising, which had softened its clear-cut stand against Coca-Cola in response to slight pressure from the National Advertising Division of the Better Business Bureaus, continued to run in approximately one-third of the country in 1979. The campaign has moved from the introductory phase of "Let Your Taste Decide" into "Taste That Winning Taste."

This year also saw the three-year-old "Have a Pepsi Day" theme replaced by "Catch That Pepsi Spirit. Drink It In!" a continuation of 18 years of Pepsi Generation positioning and a major part of the record $80,000,000 ad budget for 1980. Six new tv commercials were introduced early in the year.

Aspen, "the new soft drink with just a snap of apple," made its eastern debut in Philadelphia early in the summer of 1979. The introduction was backed by a record $2,000,000 marketing campaign. J. Walter Thompson Co. continued to handle Aspen and two other test brands, Teem and On Tap root beer, for its second year on the PepsiCo roster.

Mountain Dew is the company's third most heavily advertised soft drink with $8,300,000 in measured media in 1979, up 24% from 1978. To support the brand, the company launched its biggest youth program to date for a Pepsi brand in establishing a junior superstars program with Mountain Dew as a sponsor. Mountain Dew has grown rapidly, increasing its share of the soft drink market from 2.4% to 2.8% and rising to No. 8 in industry rankings. Coca-Cola responded to this success by bursting onto the scene with Mello Yello last year.

Pepsi Light moved from low-calorie to sugar-free in 1979, after having moved from Scali, McCabe, Sloves to BBDO in 1978.

PepsiCo's largest division is Frito-Lay, the domestic snack food manufacturer and the original partner with Pepsi-Cola in the creation of PepsiCo in 1965.

Frito-Lay sales rose to over $1.25 billion in 1979, up 25% from 1978. This growth marked the 11th straight year of record earnings, and accounts for the division's status as PepsiCo's largest profit contributor.

Doritos was the company's best-selling and most heavily advertised single brand, with $13,000,000 in measured media spending. Other heavily advertised brands were Fritos corn chips ($6,820,000), Ruffles potato chips ($6,247,900), Chee-tos ($6,212,800) and Lay's potato chips ($4,525,000).

- Tostitos, a new tortilla chip, was introduced nationally in 1979, backed by $4,948,400 in measured media spending. Five other new products were tested in 1979, including a ball-shaped version of Chee-tos, candy bars in the relatively unadvertised Go-B-Tweens line and Zambino's Italian cheese-flavored chips. In addition, six more new products are lined up for testing this year.

PepsiCo's food service division, composed of the Pizza Hut and Taco Bell restaurant chains, gives the company a toehold in two of the fastest-growing sectors of the food service industry.

The Pizza Hut system, on a worldwide basis, opened 284 new restaurants in 1979 for a total of 3,948 units, with an additional 200 expected to open in 1980. The rate of new openings was less than half of the 1978 rate as emphasis shifted to the task of increasing customers rather than restaurants. Company-operated units declined by 18 to 1,940. National tv advertising increased 9% to about $15,000,000 as "Comin' in for good," Pizza Hut's new campaign, was introduced.

The chain conducted a controversial agency review this spring that resulted in retaining Foote, Cone & Belding although other contenders had been told the incumbent was definitely out of the picture.

In another major move PepsiCo lured Burger King president Donald Smith to head the new food service division. With Mr. Smith's arrival, Frank Carney, president and founder of Pizza Hut, resigned to pursue other interests.

Despite the increase in advertising and the addition of new units, operating profits in 1979 dropped 22% to about $50,000,000 from $64,000,000 in 1978, although sales increased by 20%. PepsiCo attributed the earnings decline to "competitive incursions, escalating food and labor costs and a tight labor supply." The more recently acquired Taco Bell fared somewhat better; 129 new restaurants were opened in 1979 for a total of 1,100, of which 589 are company operated, and ad spending was increased 75% to $7,359,800 over $4,202,700 in 1978.

- The Wilson Sporting Goods subsidiary reversed its previous year's decline in earnings with profits of $3,400,000 in 1979 following a loss in 1978 of $7,500,000. The division was restructured from an organization of profit centers in golf, racket sports, etc., to a system integrated by function—marketing, sales, distribution—for all products.

PepsiCo's two transportation companies, NorthAmerican Van Lines and Lee Way Motor Freight, reported that revenues grew 15% while profits dipped 37% to $18,459,000 from $29,300,000.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$ 1,913,000	$ 1,738,800
Magazines	2,161,700	1,725,500
Spot tv	57,152,200	46,588,300
Network tv	72,322,700	45,263,800
Spot radio	4,897,100	6,506,000
Outdoor	940,200	463,200
Total measured	139,386,900	102,285,600
Unmeasured	72,613,100	53,714,400
Estimated total	212,000,000	156,000,00

FRITO-LAY

MARKETING PERSONNEL

D. Wayne Calloway, president
Willard C. Corn, senior vp
Jack DeMarco, vp, sales
John Cranor, vp, mktg
Hugh O'Brien, group media mgr

PEPSI-COLA CO.

MARKETING PERSONNEL

John Sculley, president & ceo
John Pingel, exec vp, mktg & sales
Alan M. Pottasch, senior vp, creative services
Robert Sander, senior vp, sales
Larry Higby, vp, mktg
Norman Sylvester, vp, adv media
Joseph Block, vp, pr/promo

PEPSICO INTERNATIONAL

MARKETING PERSONNEL

Robert K. Warren, chairman
Robert H. Beeby, president
Thomas Rattigan, senior vp
Richard Ahern, president, UBI
John Corbani, vp, mktg services

PEPSICO FOODS INTERNATIONAL

MARKETING PERSONNEL

John Kickham, president
George Blake, vp, mktg

PEPSI-COLA BOTTLING GROUP

MARKETING PERSONNEL

Robert G. Dettmer, president
Roger Enrico, vp, sales & mktg
David Mauer, vp, mktg

NORTHAMERICAN VAN LINES

MARKETING PERSONNEL

Kenneth L. Maxfield, president
Joseph D. Ruffolo, vp & genl mgr, househo goods div
Thomas P. Fagan, vp, sales & agency devel household goods div
James L. Chadwick, director of mktg, hous hold goods div
Blaine Sowers, vp & genl mgr, new prods d
Dick Rogan, vp, sales, new prods
Rob Fletcher, director of mktg, new prods

MARKETING PROFILES

Robert Lake, vp & genl mgr, high value prods div
Bill Watkins, vp, sales, high value prods div
Dave Richards, director of mktg, high value prods div
Tom Harris, vp & genl mgr, intl div
Tom Zirk, vp, U.S., sales, intl

LEE WAY MOTOR FREIGHT

MARKETING PERSONNEL

Richard L. Frucci, president
Paul A. Fox, vp, sales

WILSON SPORTING GOODS

MARKETING PERSONNEL

Richard J. Caley, president
Malcolm Candlish, senior vp, mktg
Gus Lachenauer, senior vp, sales

PIZZA HUT

MARKETING PERSONNEL

Donald N. Smith, chairman & ceo
Arthur G. Gunther, president & ceo
Graham Butler, group vp/operations
Al DiMarco, vp, adv, mktg, planning
Bud Gates, vp, corp mktg

TACO BELL

MARKETING PERSONNEL

Robert L. McKay, president
Joyce Hackbarth, director, adv

ADVERTISING AGENCIES

BBDO, New York—Pepsi-Cola, Diet Pepsi-Cola, Pepsi Light, Mountain Dew—Jack F. Kraushaar, mgmt super.

Foote, Cone & Belding, New York—Fritos—Bruce Guidotti, mgmt super. Chicago—Pizza Hut—Bruce Mason, senior vp, group mgmt super; Mitch Engel, acct super.

Young & Rubicam, New York—Chee-tos, Ruffles, Lay's, Munchos—Bill Green, mgmt super.

Tracy-Locke, Dallas—Doritos, Prontos, Fritos dip mixes, Tostitos—Howard David, mgmt super.

J. Walter Thompson Co., New York—Aspen, Teem, On Tap—Robert Bird, mgmt super.

Grey Advertising, Los Angeles—Taco Bell—George Winston, acct super; Andy Arkin, Chris Shea, acct execs.

Doe-Anderson, Louisville—NorthAmerican Van Lines—Phil Payne, vp.

Leo Burnett, Chicago—Wilson Sporting Goods—Jack Powers, mgmt super; Thom Kettle, acct super.

Pfizer Inc.

	1979	1978
Sales	$1,196,900,000	$1,070,000,000
Earnings	162,300,000*	138,500,000
Advertising	43,731,200	38,424,300

*U.S. only

Pfizer Inc., New York, the 86th largest national advertiser, increased its domestic advertising expenditures by about 14% to an estimated $43,731,200.

Pfizer sales worldwide rose 14% in 1979 to $2.7 billion. Pretax income rose 15% to $365,600,000. U.S. sales rose by $125,000,000 and U.S. profits climbed to reach $162,300,000 of the Pfizer bottom line.

Pfizer experienced healthy sales increases in almost every area. Health care sales increased by 16%, agricultural products by 16%, specialty chemicals by 11%, materials science by 18%, and consumer products by 4%. Though sales for the consumer products rose by only 4%, operating profits rose by 60% on a segment basis.

The profit increase was the result of the restructuring of Coty International operations in 1978. Several of Coty International's direct sales organizations were converted to distributorships and the sales of those operations were no longer recorded by Pfizer. Instead, the company earned distributorship royalty income.

The consumer division, which receives the bulk of Pfizer's measured media spending, markets Coty fragrances and cosmetics, and through its Leeming/Pacquin division, Ben-Gay analgesics, Visine eye drops, Desitin baby care products and Unisom sleep aid.

The leading consumer operation, Leeming/Pacquin, registered sales gains for each of its three major products—Visine eye drops, Ben-Gay pain relief ointment and Desitin baby care products. Desitin medicated ointment, baby lotion and powder allocated $1,790,600 to television. Ben-Gay analgesic ointment led the Ben-Gay line of products in ad expenditures and received $4,708,500 out of a total budget for the Ben-Gay line of about $5,000,000. The Ben-Gay budget was shared by network and spot tv.

Soft Relief, a hand lotion for minor arthritis pain, entered test market in Syracuse. It was supported by tv. Its commercials claim it is the first hand lotion for pain relief that does not have a heavy medicinal smell.

At midyear the division successfully launched Unisom nighttime sleeping aid following marketing clearance by the Food & Drug Administration. Unisom, supported by substantial advertising and promotion, by year's end exceeded anticipated sales. Unisom received $2,489,300 in media, most of it in network tv.

Visine eye drops was the top budgeted product receiving $5,081,600. Some $28,500 went to magazines, and the rest to tv.

Visine AC eyedrops entered test market in Omaha, Fresno and San Antonio. The AC line is formulated for cold and allergy sufferers and is supported by tv advertising.

Pfizer put an estimated $16,400,000 into unmeasured media in 1979, primarily for the health care division.

Net sales in the health care division were up 16% internationally and 15% in the U.S. For the nation's fourth largest medical advertiser.

In the area of medical advertising, most of Pfizer's budget—72%, goes to detailing doctors and pharmacists, medical journals get 24% and direct mail 4%.

An increasingly important form of promotion is built around educational programs to help physicians keep up to date.

Worldwide sales of hospital and diagnostic products increased 25% to $287,000,000 in 1979, including a 21% increase in sales of hospital products and a 44% advance in sales of diagnostic products.

Pfizer gained some attention in the medical advertising market as its Roerig division developed and advertised Navane as a product aimed to the elderly. Navane is used in treating acute confusion among the elderly.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$ 350,900	$ 85,700
Magazines	8,803,000	7,546,300
Farm publications	1,148,600	1,247,200
Spot tv	2,014,200	2,341,800
Network tv	14,496,300	11,641,600
Spot radio	46,400	60,400
Network radio	470,100	—
Outdoor	1,700	1,360
Total measured	27,331,200	22,924,300
Unmeasured	16,400,000	15,500,000
Total	43,731,200	38,424,300

AGRICULTURAL DIVISION

MARKETING PERSONNEL

R.M. Hendrickson, president
W.P. Crawford, vp-general mgr, animal health operations
C.G. Risoldi, director, mktg
E.T. Hughes, director, sales
A. Honsch, mgr, mktg services
T.M. Reese, vp-genl mgr, genetics
B. Walkinshaw, vp-genl mgr, H&N Inc.
J.R. Crabtree, director, sales
K.P. Everson, director, operations
C.J. Westmoreland, director, public affairs

ADVERTISING AGENCY

Brewer Advertising, Kansas City—Animal health operations—Fred Sandren, acct. super. Genetics Operation: John Pepper, acct super; Bill Smith, acct exec.

LEEMING/PACQUIN DIVISION

MARKETING PERSONNEL

B.B. Scott, president
J.F. Anderson, vp-mktg
T.F. Coughlin, vp-sales

ADVERTISING AGENCIES

Avrett, Free & Fischer, New York—Unisom—Paul Obre, acct super.

McCaffrey & McCall, New York—Ben Gay, Soft Relief, Hai Karate, Desitin, Pacquin, Thermodent, Desitin skin care, Dabaways, Rheaban, Nytilax—Brutis Flounders, mgmt super: George Hadley, acct super, Donald Green, acct super.

Ted Bates & Co., New York—Visine, Visine AC, Visalens, House in Bloom—Malcolm McConnell, mgmt super; Betty Valdes, acct exec.

Martin Landey, Arlow—cosmetics and fragrances—Eli Gertz, mgmt super.

COTY DIVISION

MARKETING PERSONNEL

D.J. Flannery, president
John Wendt, vp-mktg

ADVERTISING AGENCY

Kurtz & Tarlow Co.—Fragrances—Chris Hansen, vp-mgmt super.

CHEMICALS DIVISION

MARKETING PERSONNEL

C.W. Smith, president
F. Adams Jr., exec vp
J.E. McVeigh, senior vp
A.F. Leyden Jr., director sales
J.R. Post, sales mgr-west
W.D. Benfer, sales mgr-east
F.P. Chapman, director, mktg
Vincent DeGennaro, director, adv & promo
C.N. Mastin, director, mktg services

ADVERTISING AGENCY

D'Arcy-MacManus & Masius, New York—F.P. Harvey, senior vp-mgmt super; Charles Rose, vp-accts super; D.E. Bray, acct exec.

PFIZER PHARMACEUTICALS & DIAGNOSTIC PRODUCTS

MARKETING PERSONNEL

S.G. Gilgore, president
J.T. Curti, vp-medical director
R. Goode, director, mktg rsch/planning

Roerig Division

P. Tombros, vp & director-operations
Larry Larkin, vp-sales
David Booth, vp-mktg

ADVERTISING AGENCIES

Robert A. Becker Inc. New York—Geopen, Geocillin, Atarax.

Dorritie & Lyons, New York—Marax—Al Nickel, acct super.

Benton & Bowles' Medicus Communications, New York—new product—Nick Maiale, client service group super.

Pfizer Diagnostics Product's Group

R.G. Richmond, vp & genl mgr
R. Oglethorpe, vp-mktg
J.P. Rohal, director of sales

ADVERTISING AGENCY

Klemtner Advertising, New York—Gavin Scotti, acct exec.

Pfizer Laboratories

W. Steere, vp & director operations
B.J. Robison, vp-sales
R.J. DeLuccia, director of mktg
G. Jortner, director of mktg

ADVERTISING AGENCIES

Klemtner Advertising, New York—Vibramycin, Terramycin, Oral Vistaril, other ethical drugs—Morgan Cline, acct super.

William Douglas McAdams Inc., New York—Diabinese—Eugene Fine, acct super.

Carrafiello Diehl, New York—Glucotrol, Sinequan—Tony Bennet, acct super.

Dorritie & Lyons, New York—Minipress, Minizide, Vistaril, Renese—John Dorritie, mgmt super.

Pfipharmecs Division

F.D. Price, vp-director of operations
R.W. Tucker, sales director
P.F. Knight, mktg mgr

ADVERTISING AGENCIES

Derland & Sweeney, Philadelphia—all prescription prods, ointment, Rid.

Purchase Point Inc., New York—Coryban-D, nutritionals, Bonine-D.

MINERALS, PIGMENTS & METALS DIVISION

MARKETING PERSONNEL

J.P. Bartels, president
W. Nazarewicz, vp-minerals
H.W. Flandreau, vp-pigments
P.A. Guercio, vp-material science specialties
W.M. Stephson, director, magnetic materials business devel
W.L. Hockersmith, director of sales
H.F. Stolte, mktg services mgr

ADVERTISING AGENCY

Newmark, Posner & Mitchell, New York—Richard Walker, acct exec

HOWMEDICA INC.

MARKETING PERSONNEL

T.W. Eckels, president
T.E. White, senior vp

ADVERTISING AGENCY

Techni-Graphics Inc.—Hugh Phares, president.

QUIGLEY CO.

MARKETING PERSONNEL

J.P. Bartels, chairman
D.R. Thacker, president
I.J. Dreyling, vp-technical
E.W. Garvin Jr., vp-sales
R.M. Galloway, director of sales & mktg

ADFORCE INC.

MARKETING PERSONNEL

Robert Geller, president
John McAvity, vp-broadcast
Martin Gennua, vp-media

Pillsbury Co.

	1979	1978
Sales†	$3,032,000,000	$2,165,983,000
Earnings†	104,700,000	83,471,000
Advertising*	131,549,400	104,000,000

†Fiscal year ended May 31, 1980.
*Estimated by AA

Pillsbury Co., Minneapolis, the nation's 33rd largest national advertiser, raised its ad spending 26% in 1979 to $131,549,400 from its 1978 calendar-year spending level of $104,000,000.

The company began to see the results of its 1978 acquisition of Green Giant Co. in its sales and earnings figures. Sales in fiscal 1980 (June 1, 1979, through May 31, 1980) totaled $3.03 billion, a 40% increase over 1979 levels. Earnings in fiscal 1980 were up a strong 25% to $104,700,000 over 1979 earnings of $83,471,000.

Successful restaurant operations paced the company in 1979 and continued strong in 1980. The acquisition of Green Giant helped thrust Pillsbury into the frozen foods arena as the company increased its share in frozen vegetables and entrees. A traditional mainstay for Pillsbury, baking goods and flour, was stable. That is more than can be said for Pillsbury's management during the past year.

- The company was hit by the departure of top executives. To no one's surprise, Thomas H. Wyman, the Green Giant president who agreed to facilitate the merger between Green Giant and Pillsbury, left to become president at CBS. Walter D. Scott quit as chief financial officer to become president of Investors Diversified Services.

Burger King, which gives Pillsbury more income than any other division, got hurt by two major moves. E. Christian Schoenleb left Burger King as exec vp-marketing to join Arby's International, and he was followed by Donald Smith, who left as president-ceo for PepsiCo in May, 1980, to head its new food service division that includes Pizza Hut and Taco Bell. The two men, however, left Burger King in good shape after helping turn around the fast-food operation's fortunes.

In 1979, Burger King sales were up 25% to $1.46 billion. The chain, with more than 2,500 restaurants, was the key factor in making Pillsbury's restaurant division the company's fastest growing unit. Steak & Ale restaurant chain performed well, as did its newer Bennigan's Tavern units.

Burger King ate up nearly half of the company's advertising budget, getting $44,185,100 with almost all the money going to television. In advertising, a sizable program went for the highly successful national launch of BK's expanded dinner menu—specialty sandwiches of chicken, beefsteak, ham and cheese and fish.

Despite record sales in 1979, the Poppin' Fresh Pies chain suffered a drop in earnings—blamed mostly on a severe winter in early 1979 and on depressed margins.

Green Giant has performed well for Pillsbury, especially in the area of frozen prepared vegetables. Green Giant's frozen corn on the cob boosted its No. 1 market share to 40%, while frozen prepared vegetables grew to nab a leading 50% of its market. Most of its canned vegetables remained No. 1 in their respective categories, but the business has suffered.

Both Totino's and Fox Deluxe frozen pizzas joined under Green Giant in a new frozen foods division. Totino's, with the help of its "crisp crust" pizza, boosted its No. 1 market share from 21% to 27% of the frozen pizza industry. Totino's, however, is still distributed in only 75% of the country.

Pillsbury has not yet gone national with either its pasta line or apple juice. American Beauty macaroni, a 1978 acquisition, is in 35% of the country—primarily west of the Mississippi. Speas Farm apple juice, however, is slowly moving into national distribution.

Pillsbury's food service division fared well in 1979 and plans to increase its variety of frozen prepared foods in 1980. The agri-products division, which helps supply the food service division with flour and bakery mixes, showed its first sales increase in 1979 after three years of declines. Despite the company's large milling operations, Pillsbury's Best consumer flour stayed No. 2 in the market with an 18% share.

- Pillsbury added to its flour line with a flour especially formulated for bread baking, and backed it up with $1,750,000 in advertising. The campaign kicked off in August, 1979.

In cake mixes, Pillsbury has been pleased with its "Let a Bundt cake do the talking" ad campaign, which drew $2,235,400 in ad spending. The company added several new varieties during 1979.

The company began to reverse some of the declines suffered by Hungry Jack pancake mixes. Part of the credit for revitalizing the line can go to Panshakes, a premixed pourable batter in small cartons. Hungry Jack's share dropped 1% from the previous year to 20% of the market—good for second place.

Refrigerated fresh dough did not increase its market share, but still retained a solid lock on No. 1 in the market with 57%.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$1,788,800	$1,799,900
Magazines	6,018,000	4,574,900
Spot tv	39,595,900	24,913,400
Network tv	53,396,400	47,124,200
Spot radio	1,199,700	1,049,100
Outdoor	710,800	498,800
Total measured	102,709,600	79,960,300
Unmeasured	28,839,800	24,039,700
Estimated total	131,549,400	104,000,000

CONSUMER PRODUCTS GROUP

MARKETING PERSONNEL

John M. Stafford, exec vp
Raymond V. Kimrey, vp-refrigerated foods
Thomas McBurney, vp-grocery prods
Kent Larson, vp-frozen foods
Donald A. Osell, vp-diversified prods
Grahame Francis, vp-beverage prods
William M. McGrath, vp-new business devel
Anthony Scherber, vp-sales
William Edgley, director, media services

GROCERY PRODUCTS AND AMERICAN BEAUTY

Larry Youngblood, business unit mgr., American Beauty
Dan Locke, director of mktg
John Darcy, director of mktg, new prods

WILTON ENTERPRISES

Vincent Naccarato, president

REFRIGERATED FOODS

Pete Mihajlov, director of mktg

RESTAURANT GROUP

Louis Neeb, chairman, ceo, Burger King Corp.
Jerry Rvenheck, president, Burger King U.S.A.
Hal W. Smith, president, Steak & Ale
Don Ryan, president, Poppin' Fresh Pies
John Shubert, mktg director, Poppin' Fresh Pies

AGRI-PRODUCTS GROUP

Richard Coonrod, exec vp

ADVERTISING AGENCIES

Leo Burnett Co., Chicago—Green Giant products, refrigerated foods, Steak & Ale, frostings—John Powers, mgmt director.

BBDO, New York—Pillsbury Plus, Bundt and Streusel Swirl cake mixes, Hungry Jack prods, artificial sweeteners—Jerry Lee, mgmt super.

W.B. Doner & Co., Southfield, Mich.—Speas Co.—William Case, mgmt super.

Paragon Cos., Minneapolis—Totino's frozen pizza.

Botsford Ketchum, San Francisco—family flour, Figurines, American Beauty macaroni prods.

J. Walter Thompson Co., New York—Burger King—Ronald Sherman, mgmt director.

Glenn, Kolesar & Hartwell, Minneapolis—bakery flour, mixes and equipment, food service.

Polaroid Corp.

	1979	1978
Sales	$1,361,454,000	$1,376,590,000
Earnings	36,147,000	118,416,000
Advertising*	50,480,300	52,752,500

* Advertising Age estimate

Polaroid Corp., Cambridge, Mass., the nation's 78th largest advertiser, decreased its U.S. advertising expenditure 4% in 1979 to an estimated $50,480,300, from $52,752,500 in '78. Worldwide, the company reported it spent

$105,007,000 in advertising, as compared with $101,124,000 the year before.

The past year was disappointing for Polaroid. The company's consolidated worldwide income dropped 1% to $1,361,454,000, from $1,376,590,000 in 1978. Earnings plummeted 70% to $36,147,000 from $118,416,000 the year prior. The drop was attributed to a weakening economy, a softening of the market, energy concerns, soaring material costs and cuts in dealers' inventories.

▪ U.S. sales for Polaroid were $757,200,000 in 1979, a 7% decrease from the '78 sales figure. International growth continued to climb, with sales up 8% to a record $604,300,000.

And Polaroid continued its dominance of the instant camera market. In 1979, the company sold 7,300,000 cameras—a drop from the 9,400,000 tally the year before. Instant film sales exceeded 200,000,000 units for the second year in a row. SX-70 film sales worldwide soared 75%. And, Polaroid kept its strong grasp on two-thirds of the $2 billion instant photograph market.

The year 1979 marked a milestone in Polaroid's history for it was the last year as ceo for the company's visionary, Dr. Edwin Land. Dr. Land announced he was passing the torch on to William McCune Jr. after the company's annual stockholders' meeting, held last April. Dr. Land, who continues as chairman of the board becomes consulting director of basic research in Land Photography—or as he says, "(a) The Wise One [chairman] and (b) The Knowing One [as consultant]."

Polaroid's measured media in '79 dipped 6% to $38,120,300 from $40,752,500 the year before. Polaroid cameras (and paraphernalia) received $1,849,200 in measured media monies, down from the $2,412,500 allocated the year before. The OneStep, the best-selling camera in America, received an additional $17,627,100, up from the additional $15,772,900 funds it received in 1978. Polaroid's Sonar OneStep cameras received an additional $10,932,400 ad monies, while the beleaguered Polavision movie system got an extra $1,542,900 for advertising. Polaroid spent $2,434,200 in measured media spending on Polaroid film alone and spent $83,700 in measured media to promote its sunglasses line.

In its creative, Polaroid continued to tap the talents of James Garner and Mariette Hartley—and their snappy repartee—to sell its OneStep camera.

While Doyle Dane Bernbach continues as agency of record, Polaroid gave an assignment to Needham, Harper & Steers, Chicago, for its Sonar cameras and for supplemental creative for the OneStep camera.

▪ The company also extended contracts with Liv Ullmann and Christopher Plummer—now touting Polaroid's new Time Zero Supercolor SX-70 film, introduced in Florida in late 1979 and expected to be nationwide by the end of 1980. Ms. Ullmann also is spokesperson for Polaroid's Sonar OneStep.

Polaroid launched its new Time Zero film with a $6,000,000-plus national campaign in the first quarter of 1980. The revolutionary film begins to form pictures with 10 seconds after the shutter is snapped. The image becomes recognizable after 30-seconds and is fully developed within a minute.

Two new models of current products—upscaled with the addition of a detachable Q-light electronic flash unit—were introduced last year. The cameras are OneStep Plus (retailing for $67.95) and Pronto! Sonar Plus (selling for $137.95).

Polaroid extended its Polavision line with the addition of Polavision stop-action—a slow motion instant movie camera with wide angle screen and selling for $785. The new model is designed for sports training, motion analysis and medical endoscopy.

The original Polavision continued to have troubles, although the company optimistically reported the losses were not as a great as the year before. Nevertheless, Polaroid took a $68,000,000 write-down on Polavision last year. Now the company plans to tackle major business and industrial markets for possible Polavision sales.

In efforts to turn declining sales around and to entice a recession riveted consumer audience, Polaroid offered perfect picture guarantee last year on all SX-70 and Pronto! cameras. For every 10 bad pictures returned, the company would give the disgruntled customer a free pack of film. The offer lasted for one year or for 10 film pack replacements. And with the purchase of an SX-70 camera, Polaroid offered two packs of film and two flash bars or, with the purchase of a OneStep, the buyer picked up a free film pack and flash bar.

Such promotions came in the face of increasing prices from Polaroid, as it coped with increased costs of materials and production. The cost of silver soared last year to more than $16.50 an ounce, from the comparatively low cost of $5.50 an ounce the year before.

Confronted with those increased cost pressures, the company laid off 2,500 employes in 1979 and expects to have to make further cuts in 1980. The capital expenditures in '80 are slated at $80,000,000, down dramatically from the $134,700,000 in '79. Also last year, Polaroid sold its not-yet-completed plant in Andover, Mass., to the Digital Corp.

A new camera assembly plant in Norwood, Mass., went into production and a new Polaroid service and distribution service center opened in Dallas and in Santa Ana, Cal., in 1979.

For its sunglasses line, Polaroid placed the advertising emphasis on the company name and dumped tv, opting for a magazine campaign. The ads stress fashion, while tying in with sports.

For the coming year, Polaroid is counting on brighter skies. In the first quarter of 1980, earnings in-

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There are now 23 million joggers in the U.S. and millions more who are affected by jogging promotions.

SSP has promoted and organized over 40 professionally run road races for Diet Pepsi, BMW, Anheuser-Busch, Century 21 and Macy's to name a few. SSP promoted the 4000 runner Diet Pepsi George Washington Bridge Race July 5, 1980.

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Millwood, N.Y. 10546

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ed upward 1.9% to $17,400,000, while sales climbed 16% to $308,000,000.

Polaroid plans to introduce a sonar transducer, a $10 gismo which emits sound waves that bounce off a subject and send a distance reading back to the camera. The company is also planning products targeted at professional photographers, is putting the finishing touches on a new Polacolor film for making larger photographs and is exploring ways to use less silver in making instant color film.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$2,490,600	$2,572,000
Magazines	5,631,800	6,319,300
Spot tv	2,901,900	3,721,300
Network tv	27,090,900	28,139,900
Spot radio	5,100	—
Total measured	38,120,300	40,752,500
Unmeasured*	12,360,000	12,000,000
Estimated total	50,480,300	52,752,500

MARKETING PERSONNEL

James Andrews, director, consumer adv
Stephan Bassett, asst adv mgr
Laurence Beeson, adv mgr (consumer)
Harold Falber, adv mgr (consumer)
Richard Giacchetti, asst adv mgr
Lynne Hoinash, intl adv mgr—business and professional
Lynn Keyser,asst intl adv mgr
Kathleen Malone, adv mgr, Latin America
Robert Neville, intl sales promo mgr
Michael Parker, director-intl adv
Carol Robinson, adv super, Latin America
Adrian Van Dorpe, adv mgr-industrial
Theodore N. Voss, vp-adv
Peter Wensberg, senior vp-mktg

ADVERTISING AGENCY

Doyle Dane Bernbach, New York—Donna Aird, acct exec intl business and professional; Gregory Argand, vp-acct super; Kathy Beatty, acct super (Latin America mgr); Jay Durante, acct super; John Fenyo, vp-mgmt super; Glenn Hersh, acct super-industrial; Iain Macfarlane, senior vp-mgmt super-intl; James V. McConnell Jr., group senior vp; Robert Moehl, vp-mgmt super; Jacques Paucker, acct super, European business and professional mgr; Walter Regel, acct exec; Terron Schaefer, vp-acct super, Asia and Pacific mgr.; Irene Soeller, acct exec, industrial; Larry Spagnola, asst acct exec; Marcelle Speiler, acct super, European business and professional mgr; Joan Wolf, acct super, intl.

Procter & Gamble Co.

	1979	1978
Sales†	$10,772,186,000	$9,329,309,000
Earnings†	642,838,000	577,331,000
Advertising*	614,900,000	554,000,000

† Fiscal year ended June 30, 1980
*** AA estimate for calendar year 1979**

Procter & Gamble Co., Cincinnati, the perennial No. 1 national advertiser, is estimated by AA to have increased its 1979 advertising and promotion investment in the U.S. by just over 11%, to $614,900,000.

The increase is down from 1978's 20% jump over 1977 ad spending, but that year was marked by significant new product introductions. While such activity by P&G continues to be heavy, several major new products did not reach national distribution until early this year, and thus the full impact of ad spending on them will not be felt until 1980's tabulation.

For example, since January, the following have completed national rollout: Bold 3 detergent with fabric softener, Rely tampons, Luvs disposable diapers, Pert shampoo, High Point instant decaffeinated coffee. Plus, in the institutional health care field, Boundary surgical drapes and gowns and Attends disposable briefs.

In P&G's fiscal year ended June 30, 1980, record net sales hit $10.8 billion, a 15% rise over last year's $9.3 billion in sales. Earnings increased 11% to $642,838,000.

As the nation's largest advertiser, the company also is the top spender in both network and spot tv. Last year, P&G increased tv expenditures to $453,371,400, rapidly approaching the half-billion-dollar mark.

▪ The company's increasing outlays in other media were more dramatic, however. Magazine ad expenditures rose to $40,640,400 last year, up from $33,754,300 in 1978. The '78 figure represented a $12,000,000 jump over the year before. Since 1977, P&G has boosted magazine spending almost $20,000,000.

Even more significant has been its increased use of radio. P&G invested $2,465,500 in spot radio advertising last year, from only $919,800 the year before. While that pales in comparison to tv—and even magazines—1980 should see further increases in this medium.

P&G is probably the largest user of sampling, couponing, price-off, on-pack and other promotional vehicles. Its unmeasured media total includes estimated expenditures for these activities and rose to almost $100,000,000 last year. The company is said to have distributed about 60.000,000 sample packages of its new Rely tampon during its launch, at a cost of at least $10,000,000.

But tv remains king at P&G, and its P&G Productions unit continues to turn out such durable "soap operas" as "Search for Tomorrow," "As the World Turns," "The Edge of Night," "The Guiding Light" and "Another World." On Aug. 4, P&G premiered a new serial, "Texas." The company also has increased its production activity in prime time tv shows, most notably made-for-tv movies, and specials like "The People's Choice Awards."

Its venture into prime time series, "Shirley," on NBC-TV, was not successful; the show did not last out its first fall season.

P&G is the innovator in segmenting a market and building new brands within it. While some company brands compete with one another, P&G mostly strives to target each into market segments and push them to a leadership position. It is a firm believer in a virtually limitless product life cycle; 1979 was celebrated as the 100th birthday of Ivory bar soap. Special advertising highlighted that fact during the year.

▪ The company has 54 established consumer products (excluding brands currently in test or expanding markets) receiving major advertising support, plus many institutional products, most of which also get ad and promotion backing within their specialized fields.

Last year, according to the figures compiled by Leading National Advertisers, P&G spent more than $100,000,000 on 14 laundry cleaning products, over $50,000,000 on four dishwashing products and over $44,000,000 on six bar soaps.

Among individual brands, Folger's coffee continued to top the P&G product array in ad spending with almost $33,000,000. Crest toothpaste was No. 2 with almost $26,000,000; Pampers disposable diapers received about $21,500,000. Not far behind Pampers was Tide laundry detergent at almost $18,000,000.

The following brands received between $10,000,000 and $15,000,000 in measured media spending: Bounce fabric softener, Bounty paper towels, Cascade automatic dishwashing detergent, Cheer laundry detergent, Dawn dishwashing detergent, Downy fabric softener, Duncan Hines baking mixes, Era laundry detergent, Gleem toothpaste, Head & Shoulders shampoo, Ivory bar soap, Ivory liquid dishwashing detergent, Joy dishwashing detergent, Prell shampoos, Scope mouthwash, Secret antiperspirants, Sure antiperspirants, White Cloud bathroom tissue and Wondra skin lotion.

In addition to its consumer brands, P&G markets an extensive line of products for commercial and industrial use. They are primarily related to its consumer lines through technology and research. These include fat and oil derivatives, edible oils, animal feed ingredients, cellulose pulps, industrial soaps, waxes and detergents.

This roll-on helped keep me dry.
Improved Sure Roll-On keeps me even drier.
SURE
I'm drier. I'm Sure.

Procter & Gamble's Sure antiperspirant "new and improved" ad helped it maintain a leadership market role.

The company had made several moves into the health care field, with both pharmaceuticals and paper products. Its prescription drugs are Osteoscan, an injected drug used to facilitate radiological diagnosis of bone disease, Didronel, a tablet for symptoms of Paget's disease of the bone and Topicycline, a topical antibiotic for the treatment of acne.

Last year (or early this year), P&G made available to health care institutions nationally both Boundary and Attends, entries in the rapidly growing medical disposables market. P&G continues to test consumer marketing of Attends.

In P&G's established paper products stable, Charmin bathroom tissue, Pampers disposable diapers and Bounty paper towels are fully national and lead their respective categories. White Cloud bathroom tissue and Puffs facial tissue (with companion Posh Puffs) are not yet national, although both are in over 75% of the U.S.

Charmin holds 22% of the $1.2 billion bathroom tissue business, just ahead of Scott Paper's brands combined. Charmin's ad spending was up only about $1,000,000 last year, but support for White Cloud increased by $3,000,000. P&G's latest entry, Certain, a premoistened tissue, was not overly successful in its two-market test. It is still being marketed in one city, Indianapolis, however.

The big news in paper was the national rollout of Luvs disposable diapers, with "flexible gathers" at the legs. During 1979, Luvs completed 50% distribution, and the southern and western states were added early this year. Ad spending for Luvs jumped to over $8,000,000 last year, and is expected to hit between $15,000,000 and $20,000,000 for 1980.

Luvs reportedly is attaining about a 16% share of market in its mature areas. On a national basis, as of March, 1980, Pampers continued to dominate the $1 billion market it created at 59%. Johnson & Johnson's diaper held 14%, Luvs had 6.5%, Kimberly-Clark's Huggies, 6% and its Kleenex Super Dry, 4%.

Procter also completed national distribution of Rely tampons early this year. The company's first entry in the feminine hygiene market, Rely had attained a reported 12% national share before its final expansion. That puts it about even with Johnson & Johnson's o.b. brand, which is No. 3 behind leader Tampax (about 40%) and No. 2 Playtex (about 29%). But Rely is on the way up, and o.b. apparently has hit its peak.

Johnson continues to test, however, a tampon called Assure that is positioned more closely to Rely (as an applicator tampon, which o.b. is not). Obviously concerned about that possible competitor, P&G sued Johnson for trademark infringement, but lost. The decision is being appealed.

Media spending for Rely was about $8,000,000 in 1979, up from only $2,000,000 the year before. (In neither year was it available nationally.) Also, the figure does not include spot radio expenditures, and Rely is getting significant radio support (as noted earlier).

In the $1.6 billion laundry detergent market, P&G continued in its undisputed leadership role. Tide holds about 24% of the market; its closest competitor is not in double figures. Cheer has about 9%, with Lever Bros.' Wisk, a liquid, at about 8%.

Early this year, P&G completed national expansion of Bold 3, a combination powder detergent and fabric softener. An old brand, Bold has done well in its new form. Ad spending, in expansion markets, hit $8,656,300 in '79, up from just under $6,000,000 the year before.

The company also began test marketing a combination liquid detergent and fabric softener. Called Solo, it is in Omaha, Buffalo/Rochester and the Maine/New Hampshire/Vermont area.

▪ In regular fabric softeners, P&G continues to lead with its two brands, Bounce and Downy, as it also leads in both the automatic and liquid dishwashing detergent categories.

Other product categories where P&G holds a leadership position: Antiperspirants, with Secret and Sure shares combined; shampoo, with Head & Shoulders and Prell; toothpaste, with Crest and Gleem; cake mixes, with Duncan Hines. Its six brands control the bar soap market.

In shampoos, P&G rolled nationally easily this year with its third brand, Pert, positioned toward the frequent shampooer as a more "cosmetic" entry. (Head & Shoulders is a dandruff shampoo; Prell, a "detergent" shampoo.) Following the Pert rollout, P&G went into the brand's original test markets—Milwaukee and Nashville—with a companion cream rinse and conditioner. It is the company's first entry into that growing market.

▪ With the national rollout of Wondra skin conditioning lotion last year, Procter is challenging Chesebrough-Pond's Vaseline Intensive Care lotion in that $200,000,000 category. Sources report Wondra has attained the No. 2 position in that market. Advertising expenditures jumped to over $13,000,000 last year as a result of the rollout; spending was $3,000,000 the year before.

In foods, P&G continues to test its Duncan Hines cookie mix, but pulled Coldsnap "freezer dessert" mix out of test.

Pringle's potato chips, a major disappointment for the company, continues to be marketed nationally and, according to industry analysts, is finally in the black, on annual sales of more than $100,000,000. But P&G is far from recouping its huge investment on Pringle's, these reports say.

In an unusual move (P&G rarely pulls back on ad spending to this degree), measured media ad support was reduced to just over $3,000,000 for Pringle's in 1979. That is a drop from almost $13,000,000 in '78.

P&G continues to support its growing beverage business aggressively, however. Folger's coffee is in a close race against General Foods' Maxwell House, the No. 1 brand. GF, with all its brands, still leads the total market. Ad spending for Folger's hit $33,000,000 last year.

The battle is now shifting to the decaffeinated coffee segment, which GF leads with Sanka. P&G this year rolled out its High Point instant decaffeinated brand, and ad spending is expected to hit about $20,000,000 this year. A ground roast version continues in test markets.

Procter also made its long-expected entry into the huge carbonated soft drink market this year, through acquisition. The company bought the U.S. and international operations (excluding Canada) of Crush International, Evanston, Ill., for $53,000,000. The action gives it three brands: Crush, which leads the orange and grape flavor segments, Hires root beer and Sun Drop, a lemon-lime flavor.

Crush International is in the No. 6 position in the U.S., behind Coca-Cola, Pepsi-Cola, Seven-Up, Dr Pepper and Royal Crown. But P&G has been researching the soft drink field and developing product technology for many years, and undoubtedly will greatly expand from its acquired foothold with Crush. Crush was assigned to the Folger's agency, Cunningham & Walsh.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$10,030,800	$8,559,400
Magazines	40,640,400	33,754,300
Spot tv	173,761,600	159,304,900
Network tv	289,609,800	261,715,300
Spot radio	2,465,500	919,800
Outdoor	100	39,100
Total measured	516,508,200	464,292,800
Unmeasured	98,391,800	89,707,200
Estimated total	614,900,000	554,000,000

MARKETING PERSONNEL

W.E. Forbis, vp-sales
W.P. Nock, sales mgr, coffee div
F.W. Caswell, sales mgr, toilet goods div
E.C. Conway, sales mgr, bar soap & household cleaning prods div
G.G. Feil, sales mgr, packaged soap & detergent div
L.A. Pritchett, sales mgr, paper prods div
R.S. Gurin, sales mgr, food prods div

ADVERTISING

R.V. Goldstein, genl adv mgr
T. Newby, adv mgr, coffee div
S.P. Donovan, adv mgr, food prods div
E.A. Glover, adv mgr, packaged soap & detergent div
R.B. Gordon, adv mgr, bar soap & household cleaning prods div
M.S. Levy, adv mgr, toilet goods div
C.A. Lieppe, adv mgr, paper prods div
J.D. Henry, mgr, mkt rsch dept
S.H. Pruett, div mgr, genl adv dept
J.A. Wishard, div mgr, genl adv dept

ADVERTISING AGENCIES

Benton & Bowles, New York—Bounce, Charmin, Crest, Dawn, Ivory Snow, Pampers, Rely, Scope, Wondra, Zest, Attends.

Leo Burnett Co., Chicago—Cheer, Era, Camay, Lava, Lilt, Secret, Gleem.

Compton Advertising, New York—Tide, Cascade, Crisco, Top Job, Comet, Ivory bar and liquid, High Point coffee, Duncan Hines cake mixes, Pert.

Cunningham & Walsh, New York—Folger's instant, flaked and vacuum-pack coffee, Certain cleansing bathroom tissue, Crush, Hires and Sun Drop soft drinks.

Dancer Fitzgerald Sample, New York—Bounty, White Cloud, Oxydol, Dreft, Luvs, Solo.

Doyle Dane Bernbach, New York—Coast deodorant soap, Gain detergent, Puritan oil.

Grey Advertising, New York—Downy fabric softener, Joy dishwashing liquid, Bold 3, Jif peanut butter, Puffs facial tissues, Duz detergent, Duncan Hines Moist & Easy cake mix, Duncan Hines cookie mix.

Tatham-Laird & Kudner, Chicago—Biz, Head & Shoulders, Mr. Clean.

Wells, Rich, Greene, New York—Pringle's, Safeguard, Sure, Liquid Prell, Prell Concentrate.

Young & Rubicam, New York—Dash, Spic & Span, Procter & Gamble Productions.

Quaker Oats Co.

	1979	1978
Sales†	$1,966,300,000	$1,685,600,000
Earnings†	84,500,000	75,300,000
Advertising*	86,640,000	69,312,000

† Fiscal year ended June 30, 1979
*** AA estimate for calendar year 1979**

Quaker Oats Co., Chicago, the nation's 54th largest advertiser, is estimated to have increased its advertising about 25% to $86,640,000 in 1979.

The company's sales increased to $1.96 billion during fiscal 1979, up 16.7% from the previous year. Net income increased 12.2% to $84,500,000,000 during the same period. For the first nine months of

Quaker's fiscal 1980, sales were $1.8 billion, compared with $1.47 billion last year; net income was $74,200,000, compared with $62,400,000. (Net sales and income for fiscal 1980, ended June 30, will be released in late August.)

Quaker's diversified product line includes Quaker hot and ready-to-eat cereals, baking mixes and corn products; Aunt Jemima corn products, mixes, syrup and frozen foods; Celeste frozen pizza; Wolf Brand chili products; Burry cookies and crackers; Ken-L Ration dog foods; Puss 'n Boots cat foods; Fisher-Price toys, and Needlecraft yarns and art needlework supplies.

▪ Additionally, the company owns and operates Magic Pan and other specialty restaurants, and markets a wide range of human and pet foods throughout the world.

For fiscal '79, approximately 42% of Quaker's total sales were in U.S. grocery products, 26% in international grocery products, 17% in toys and crafts, 9% in institutional foods and restaurants and 6% in chemicals.

Several key executive changes were made in the last year. In October, 1979, Quaker president Kenneth Mason retired, and William D. Smithburg, 41, formerly exec vp-U.S. grocery products, succeeded him. Replacing Mr. Smithburg was Frank J. Morgan, previously exec vp-international grocery products. Filling Mr. Morgan's position was Robert N. Thurston, who had been senior vp-corporate affairs and administration.

In January, 1980, Gary Bayer joined Quaker as vp-creative director of AdCom Inc., its advertising subsidiary. Mr. Bayer had been senior vp-executive creative director, D'Arcy-MacManus & Masius, St. Louis.

▪ During the last 12 months, several of Quaker's major brands continued market leadership in their respective categories. Quaker regular and instant oatmeals increased their over-50% share of the $200,000,000 hot cereal business. Inflation/recession spurred sales of such basic foods, and Quaker hot cereals exceeded expectations.

It began tv advertising for traditional oats last year, the first such support for the brand in 10 years. Quaker Oats received over $3,000,000 in ad expenditures last year, mostly net tv, up from $631,800 in '78. Spending for instant oatmeal was $3,251,200, about the same as the previous year.

Quaker's Aunt Jemima pancake mixes, also a category leader, enjoyed similar success last year and, like Quaker oats, received its first tv ad support. Expenditures for the product line went from $309,000 in '78 to $2,391,700 on the basis of that tv effort. Aunt Jemima frozen waffles also received increased spending, to about $3,455,200 from $157,300 the year before. Support for the total dry/frozen line, which leads in all categories but frozen waffles (No. 2 to Kellogg), hit $6,113,000.

Aunt Jemima Lite, a reduced calorie syrup, began national rollout in summer, 1980. The product has one-third fewer calories than other syrups and contains no artificial sweeteners. The intro is supported by network tv and women's magazine advertising.

▪ In its ready-to-eat cereal business, Quaker ranks as the No. 4 marketer with an estimated 9% share of the $2 billion market. Its major brands are Life, 100% Natural and Cap'n Crunch, the latter a presweetened children's line. Ad spending: $4,839,100 (Life), $2,383,900 (100% Natural), $3,898,800 (Cap'n Crunch).

But the company's newest entries have stolen the limelight. Corn Bran, which was introduced nationally in mid-1979, captured about a 1.0% share of market, becoming one of the more successful new cereals. Bran cereals are a growing segment, now accounting for about 8% of the total market. Quaker spent $6,938,400 in measured media, with additional spending going into promotion.

In August, Quaker entered test markets with new Halfsies, a children's cereal containing "half the sugar of most sugar-coated cereals." With the product, the company is addressing consumer concerns over presweetened cereals while still appealing to children with animated cartoon characters and a sweet taste. Advertising is directed to both mothers and children.

The company's biggest success story has been Ken-L Ration Tender Chunks, which has become one of the most successful new grocery products in years. With close to a 10% national share of the $1.3 billion dry category, soft-dry Tender Chunks is said to be the No. 2 dry "adult" dog food. (Ralston Purina Co.'s Puppy Chow still leads Tender Chunks; Purina Dog Chow is the No. 1 brand.) Tender Chunks received $9,066,400 last year in media support.

This year, the company introduced flavor extensions to the dry product, and also rolled national with Tender Chunks Dinners, a canned dog food line. Positioned as a "low-priced premium" entry (between top-selling "premium" Alpo and Quaker's own Ken-L Ration canned "maintenance" line), advertising for Dinners features actor James Whitmore, the ad spokesman for Tender Chunks.

Sales of the company's semi-moist line, Ken-L Ration burgers, continued to decline as has the category, and Quaker has been emphasizing Ken-L Ration Special Cuts, also a semi-moist. Special Cuts was backed by about $4,548,700.

Another dry entry is in test market, Kibbles 'n Bits, a combination of soft-dry particles and regular "hard" dry particles.

▪ Quaker recently launched a new "flavor saver" packaging process for its Celeste frozen pizzas, which suffered somewhat last year. The company said that frozen pizzas generally, one of the fastest growing food categories during the late 1970s, recorded almost no market growth last year. Ad spending for Celeste was $2,460,400 in '79.

The company increased advertising support last year for its Fisher-Price toy division, to $10,464,900 from about $8,000,000 in '78. Fisher-Price sales for fiscal '79 were $290,800,000, up 26% from the year before. Celebrating its

50th year in 1980, F-P introduced 45 new toys at the February Toy Fair in New York.

In specialty retailing, Quaker acquired Brookstone Co., which retails hard-to-find tools and gifts, in March, 1980.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$ 1,407,000	$ 2,919,800
Magazines	10,011,700	9,981,500
Spot television	12,736,100	13,855,300
Network television	36,016,100	20,080,800
Spot radio	255,400	302,700
Network radio	460,200	——
Outdoor	61,300	40,200
Total measured	60,947,800	47,180,300
Unmeasured	25,692,200	22,131,700
Estimated Total	86,640,000	69,312,000

MARKETING PERSONNEL

U.S. Grocery Products Group

Frank J. Morgan, exec vp
J. Byron Felter, vp—sales
Elizabeth D. Harrington, vp—advertising; president, AdCom
Max M. Lomont, vp—package design
Lois I. Ross, vp—consumer services
Dudley M. Ruch, vp—mktg rsch

FOODS DIVISION

Jack M. Young, president
Douglas W. Mills, vp—product mgmt
Terry L. Fraser, director—new areas
Philip A. Marineau, director—product mgmt, ready-to-eat cereals
Susan E. Beck, product group mgr
Nancy S. Pitz, product group mgr
J. Scott Talgo, product group mgr

FROZEN FOODS DIVISION

Cynthia M. Vacin, director—product mgmt
David H. Burke, manager—natl sales

PET FOODS DIVISION

Richard H. Glantz, president
James B. Kauffman, vp—product mgmt
M. Catherine Jaros, product group mgr
Christopher A. M. Penrose, product group mgr
Richard H. Sterling, product group mgr

WOLF BRAND CHILI PRODUCTS

U. B. Shockley, president

BURRY DIVISION

Alan R. Ryan, president
D. J. (Bud) Rhea, vp—sales and mktg
Walter S. Angielski, director—mktg, industrial prods
Paul C. Glick, director—mktg food service div
H. Craig Wanggaard, director—mktg, Girl Scout prods
George F. Derr, manager—mktg, grocery prods

International Grocery Products Group

Robert N. Thurston, exec vp
Richard V. Hardin, director—mktg services and admin

Fisher-Price Toys

Henry H. Coords, president
Franklyn S. Barry Jr., exec vp
James R. Tindall, vp—mktg and sales
James W. Cudney, director—mktg
Thomas Oller, director—advertising
Harold S. Tolley, director—public relations

Needlecraft Division

James M. Stuart, president
John A. Ball, director—sales

Chemicals Division

R. Bruce Sampsell, president
William J. McKillip, vp—rsch and mktg

Restaurants and Specialty Retailing

M. Mead Montgomery, exec vp

Restaurants Division

James J. Durkin, president
Donna L. Smith, vp-mktg
C. Randy Wood, mktg mgr
Patricia M. Foley, mgr—public relations
Robert W. Butterfield, genl mgr—Engine House Pizza Co.

Direct Mail Marketing Division

Samuel B. Slade, president

Brookstone Co.

Richard Chollet, president
Jon J. Medved, vp-mail order mktg

Herrschners Inc.

Samuel B. Slade, genl mgr
Stephen B. Cummings, vp—mail order furniture
Joseph Pickard, mgr—circulation and mktg services

ADVERTISING AGENCIES

Adcom, Chicago—Cap'n Crunch, King Vitaman, regular and instant oatmeal, Quisp, unprocessed bran, cookie mixes, Celeste pizza, new products—Gary Bayer, vp—creative director; Joan G. Stark, vp—media director.

Allen & Dorwood, San Francisco—Magic Pan, Proud Popover, Engine House Pizza Co.—John Galbraith, vp.

Batten, Barton, Durstine & Osborn, New York—Corn Bran, Life cereal, puffed cereals, shredded wheat; Puss 'n Boots cat foods—Charles Decker, vp—mgmt super.

BBDM Advertising, Chicago—industrial cereals—Lee Wolf, acct super.

Bozell & Jacobs, Dallas—100% Natural Cereal; Quaker and Aunt Jemima corn products, barley, flour; Quaker Halfsies; Flako baking mixes—Tom Stumpf, vp—mgmt super.

Campbell-Mithun, Chicago—food service products—David R. Seibel, president.

Chalek & Dreyer, New York—Burry grocery and dairy products—Harvey Dreyer, president; James F. Comerford, exec vp.

Ladd/Wells/Presba Advertising, Chicago—chemicals—Richard M. Bueschel, senior vp.

Sumner & Berry Advertising, Dallas—Wolf Brand products—Robert E. Berry, partner.

J. Walter Thompson Co., Chicago and New York—Aunt Jemima breakfast products and mixes; Ken-L Ration dog foods—Lloyd Stein, senior vp—mgmt super.

Waring & LaRosa, New York—Fisher-Price toys—Saul Waring, exec vp.

RCA Corp.

	1979	1978
Sales	$7,454,600,000	$6,600,600,000
Earnings	283,800,000	278,400,000
Advertising	158,600,000	140,000,000

RCA Corp., New York, the 24th largest national advertiser, boosted its advertising expenditures in 1979 by about $18,000,000 to an estimated $158,600,000.

Worldwide sales rose by 12% to a record $7.4 billion, thanks mainly to increases in each of the company's seven business segments, except communications (the other segments are consumer electronic products and services, commercial electronic products and services, broadcasting, vehicle rental and related services, government systems and services and other products and services).

Earnings grew by a modest 2% during the year to $283,800,000, a figure that includes the $23,300,000 sale of RCA Alaska Communications. Profits declined in each segment except communications and government systems and services, with RCA Records suffering the heaviest losses.

For the first half of 1980, sales gained 8% to $3.93 billion, while earnings increased 5% to $155,800,000.

▪ Early in 1980, RCA reached an agreement to sell Random House to Newhouse Publications for a reported $65,000,000, while at the same time the company completed the acquisition of CIT, a diversified financial services organization. RCA also hopes to sell Banquet Foods.

In the consumer electronic products and services segment, sales increased by 10% in 1979 to $1.8 billion, reflecting the gains in unit sales of color tv products and increased sales internationally of records and tapes.

Earnings, however, decreased by 33% to $97,000,000, mainly because of the depressed domestic record industry and increased expenditures in preparation for the introduction in early 1981 of RCA's SelectaVision videodisc player.

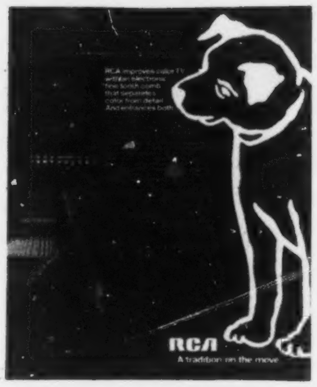
The decline was partially offset by improved earnings for tv products, as RCA sold more color tv sets in 1979 than ever before, increasing unit sales by 10%. The company also maintained its market leadership in videocassette recorder sales, although profits fell because of product and promotional cost increases.

▪ The company backed color tv sets with $14,300,000 in measured media spending in 1979, up $2,700,000 over 1978 and accounting for the most spent for a single RCA product. SelectaVision videocassette players were backed by $4,100,000, of which $2,800,000 went to network tv.

To promote these products, RCA instituted a U.S. savings bond rebate program for all purchasers of videocassette recorders or ColorTrak tv sets. The program was backed by $1,200,000 in print and network tv ads.

Meanwhile, the company expects to sell 200,000 SelectaVision videodisc players the first year. It is expected to retail for about $500, while the record-like discs should sell for $15 to $20. The company also landed agreements with its major rivals, Zenith Radio Corp. and CBS Inc., to produce and market disc players that use RCA technology.

In the music area, RCA records experienced a 13% sales increase in 1979, although earnings dropped. At the same time, RCA's record and tape club saw sales decline by 8%, while earnings dipped by 26%. On the plus side, nine RCA albums and three singles won gold or platinum records for registering hefty sales in 1979.


RCA
A tradition on the move

RCA used part of its famous symbol in print ads for the RCA color television line.

▪ Domestically, record sales to dealers rose by 35%, attributable to an agreement with A&M Records, an independent recording company, and a marketing-distribution agreement with 20th Century-Fox Records. And although foreign record sales increased by 13% in 1979 to a record high, profits declined slightly.

An Elvis Presley memorial lp set priced at $69.95 was released Aug. 5 with ads urging customers to make advance reservations for the set, which is limited to 250,000 copies globally.

▪ RCA Music Service budgeted more than $6,000,000 in measured media spending in 1979, mostly in magazines, with another $876,000 backing various RCA records. The total was $1,000,000 less than the figure for 1978.

In broadcasting, the National Broadcasting Co. saw sales rise by 13% to $1.37 billion, a new high for the seventh consecutive year, reflecting stronger advertiser demand for tv time. But at the same time earnings fell by 14% to $106,000,000, primarily because of the network's low audience ratings. The trend continued in 1980, as earnings were down 10% for the first half of the year, compared with the same period in 1979.

▪ The tv network again ranked third behind CBS and ABC in the prime time Nielsen ratings battle, although it achieved relative success with the four-part miniseries "Backstairs at the White House," a rerun of "Jesus of Nazareth" and "The Miracle Worker." Such offerings, plus a 1980 Super Bowl audience of 97,000,000 and a record 50,000,000 for the NCAA basketball finals, helped close the gap between the networks.

Early this year, NBC did cancel a potential ratings bonanza in the 1980 Moscow Summer Olympics, sacrificing a possible $20,000,000 in pretax profits and an opportunity to build audiences for this fall's program schedule. NBC for months said it would abide by President Carter's call for an Olympic boycott, and the situation was eased a bit by the company's Lloyd's of London insurance policy, which covered the network for 90% of the $87,000,000 it agreed to pay for the U.S. tv rights.

On the plus side, NBC announced this year that "Tonight" host Johnny Carson will stay with the network another three years. The show, according to industry analysts, accounts for 20% of the network's pretax profits.

▪ By the end of 1979, a total of 213 stations were affiliated with NBC tv network, and the NBC News division, although third in the ratings lately, reached 154 subscriber stations with its news program service.

To help structure the network's entertainment division, Brandon Tartikoff, former vp of programing, was named president of the division.

▪ NBC-TV poured $11,400,000 into measured media ads in 1979, about the same as the previous year. The bulk went to magazines to promote the network and its programing.

The network also spent heavily in newspaper advertising and in on-air promotions.

The radio network, meanwhile, gained in sales and earnings with its record 281 stations across the country. NBC also assembled 76 affiliates for a second radio network, called the Source, aimed at the 18 to 34 age bracket.

RCA also announced that it would distribute National Black Network programing to 86 affiliates on RCA's new satellite service for radio.

The company supported the radio network and stations with $1,900,000 in measured media spending.

▪ In the vehicle renting and related services segment, which consists mainly of Hertz Corp., sales increased by 20%, exceeding $1 billion for the first time. Earnings, however, declined to $147,000,000 because of higher car and truck purchase prices, reduced demand for used cars and stronger competition.

Despite the earnings decline, Hertz maintained its market leadership with a 40% share and continued to be the most profitable segment for RCA. In particular, the Florida and California leisure markets registered strong rent-a-car performances, Hertz said.

▪ The company also announced a 33% rental price cut nationwide during the year in an attempt to lure more of the leisure market.

Internationally, Hertz opened a special fly/drive center in Tokyo and started services in 59 airports in Australia. In addition, Hertz Europe revenues recorded new highs in 1979.

While recording this activity, Hertz cut measured media spending by 15.7% to $8,600,000 in 1979, with most of the money going to network tv for the Hertz rent-a-car spots featuring O.J. Simpson. Spot tv spending was cut by $2,000,000.

▪ The RCA communications division, which consists of RCA Global Communications (Globcom) and RCA American Communications (Americom), witnessed a sales decline of 18% in 1979 to $282,000,000. Earnings, on the other hand, were up by 4% to $68,000,000. The sale of Alaska Communications reduced the profit gain.

RCA Globcom experienced continued growth in telex operations. The division handled 42,000,000 telex calls last year, an increase of 11% over 1978. The company also maintained its leadership in leased channel services, with 39% of the market.

Globcom also expanded its high speed, digital facsimile service, Q-Fax, to 16 overseas points. To meet the growing demand for RCA satellite services, the company also launched Satcom III late last year, only to lose contact soon afterward. Insurance, however, covered most of the losses.

The company also announced it would begin leasing capacity on a communications satellite owned by American Telephone & Telegraph to replace the lost satellite, thereby ensuring that Satcom's III's loss will not slow the growth of the cable tv industry.

▪ One reason for earnings growth in the segment was the increased demand for RCA's Americom satellite services. Americom announced it will launch three more satellites—one in June, 1981, another in October, 1981, and a third in September, 1983.

In 1979, Americom's video audio services started a new method of distributing program material to the tv stations called Selective Multiple Address Radio & Television Service (SMARTS).

▪ RCA's other products and services include Banquet Foods, Cornet Industries and Oriel Foods. Sales in this segment increased by 10% to $1.1 billion, while profits fell by 16% to $66,000,000.

For this segment, newspapers received about $3,500,000 more in support than in 1978, while network tv spending grew by $1,000,000.

The corporation was not without its management problems, as evidenced by the exodus of Maurice Valente as RCA president, followed by the firing in July of NBC chairwoman Jane Cahill Pfeiffer.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$22,644,600	$19,143,500
Magazines	21,733,200	22,370,400
Spot tv	6,370,800	9,758,400
Network tv	21,947,600	20,809,600
Spot radio	894,600	209,700
Network radio	553,300	119,800
Outdoor	409,100	426,000
Total measured	74,593,200	72,837,400
Unmeasured	84,006,800	67,162,600
Total	158,600,000	140,000,000

CORPORATE MARKETING STAFF

E. A. Sekulow, exec vp-corporate affairs
L. Slote, vp-corporate communications
D. L. Alligood, director-corporate adv
L. M. Berberian, staff vp-mktg
Marilyn Watts, staff vp-mktg serv
Joel Wolk, director, adv & media serv
Tom Lobe, director-mktg planning
Robert L. Weinberg, director-long-range planning

ADVERTISING AGENCIES

Ted Bates & Co., New York—RCA corporate adv—Lee Hines, mgmt super.

Uniworld Group, New York—RCA community affairs—Byron Lewis, president; Cheryl Wright, acct super; Yvonne Bell, acct exec.

CONSUMER ELECTRONICS DIVISION

MARKETING PERSONNEL

Arnold T. Valencia, exec vp-mktg operations
J. K. DeVoe, vp-adv & consumer communications
W. S. Beres, natl adv mgr
R. D. Levin, retail adv mgr
David Heneberry, staff vp-mktg, SelectaVision videodisc
Steve Yanovsky, adv mgr

ADVERTISING AGENCIES

Leo Burnett Co., Chicago—Dennis Dunlap, vp-mgmt director; Jackson Brown, vp-acct super—color tv & vcr; Bill Wohlfiel, acct super—videodisc introduction.

Dancer Fitzgerald Sample, New York—SelectaVision disc software—Bob Weekes, mgmt super; Kurt Graetzer, acct super.

RCA SERVICE CO.

MARKETING PERSONNEL

E. A. Malm II, director—consumer prods mktg
R. Ziselman, mktg services mgr

ADVERTISING AGENCIES

Al Paul Lefton Co., New York and Philadelphia—J. W. North, mgmt super; Herb Rosen, acct super; George Tibbets, acct exec.

Richard Bandler Co., New York—William Young, vp.

"I'm More satisfied."
More
More
MENTHOL

R. J. Reynolds' More, the 120mm cigaret wrapped in brown paper, registered a 1.1% market share in 1979 with more than half of the ad spending going toward magazines.

DISTRIBUTOR & SPECIAL PRODUCTS DIVISION

MARKETING PERSONNEL

P. R. Slaninka, div vp-mktg & consumer prods mgmt
H. L. Craton, director-sales
A. D. Ricketti, mgr-mktg services

ADVERTISING AGENCY

Al Paul Lefton Co., Philadelphia—Ken Haverstick, acct exec.

RCA RECORDS

MARKETING PERSONNEL

Jack Chudnoff, vp-mktg
Tony King, director-creative services
Barbara Sisilli, adv media mgr

ADVERTISING AGENCY

Grey Advertising, New York—Len Fogge, acct exec.

RCA MUSIC SERVICE

MARKETING PERSONNEL

R. Starmer, div vp-music service
Stratis Simon, adv & promo director
Raju Puthukarai, director-mkt planning

ADVERTISING AGENCY

Tatham-Laird & Kudner, New York—Robert Cherins, managing partner; Ralph Cohen, acct super; Jayne Liebman, acct exec.

COMMERCIAL COMMUNICATIONS SYSTEMS DIVISION

MARKETING PERSONNEL

J. E. Hill, div vp-genl mgr
Miles Moon, creative services mgr
James Gimbel, mktg director-broadcast systems
C. H. Roberts, domestic mktg mgr-avionics systems
A. Tone, intl mktg mgr-avionics systems
W. K. Shaw, domestic sales mgr-mobile communications systems
R. Hamblett, intl sales mgr-mobile communications systems
Don Reinert, mktg mgr-cablevision systems

ADVERTISING AGENCY

Lewis & Gilman, Philadelphia—broadcast and mobile communications—R. P. Van Brott, acct super.

RCA PICTURE TUBE DIVISION

MARKETING PERSONNEL

D. R. Bronson, div vp-mktg
T. Hermida, mgr-mktg rsch, news & info

SOLID STATE DIVISION

MARKETING PERSONNEL

W. B. Dennen, director-public affairs
D. W. Ludlum, mgr-adv & sales promo, solid state
J. F. Chattin, mgr-adv, sales promo & publications, electro-optics & devices

ADVERTISING AGENCY

Cappiello & Co., New York—Terry Chabrow, acct super.

RCA GLOBAL COMMUNICATIONS

MARKETING PERSONNEL

G. Scott Brody, vp-mktg
Ed Yeaker, mgr-adv
Jon Plet, adv rep
Susan Lefkowitz, creative super

ADVERTISING AGENCY

Rumrill-Hoyt, New York—Terry O'Connor, acct super; Melanie Coronety, acct exec.

RCA AMERICAN COMMUNICATIONS

MARKETING PERSONNEL

John Williamson, director-public affairs
Paul Farmer, administrator-news & public affairs

ADVERTISING AGENCY

Hammond & Farrell, New York—Jeff Kaumeyer, vp.

GOVERNMENT SYSTEMS DIVISION

MARKETING PERSONNEL

J. D. Rittenhouse, div vp-genl mgr
G. D. Prestwich, div vp-mktg
N. F. Pensiero, director-mktg services
W. F. Tait, vp-field mktg
L. Yermack, director, mktg & advanced planning-astroelectronics
F. H. Stelter Jr., mktg director-govt communications systems
J. E. Murname, mktg director-automated systems
J. Durbin, mktg director-missile & surface radar

ADVERTISING AGENCIES

Al Paul Lefton Co., Philadelphia—Richard Rossi, acct exec.

BANQUET FOODS

MARKETING PERSONNEL

D. V. Granneman, vp-mktg & sales
E. B. Powell, director-adv, pkg & promos
Joel Harris, director, product mktg

ADVERTISING AGENCIES

Case & McGrath, New York—Donald Gilbert, vp-mgmt super.

CORONET INDUSTRIES

MARKETING PERSONNEL

V. J. Vigliano, mgr-adv, promo & pr

HERTZ CORP.

MARKETING PERSONNEL

Hal Bingaman, vp-mktg
William Henneberry, div vp-mktg, rent-a-car div

ADVERTISING AGENCY

Scali, McCabe, Sloves, New York—car div—Murray Gaylord, mgmt super; Mark Edelman, acct super.

NATIONAL BROADCASTING CO.

MARKETING PERSONNEL

Brandon Tartikoff, president-NBC Entertainment
W. Watts Biggers, vp-adv & creative services
Paula Mermelstein, vp-on-air promo
Mike Mohamad, vp-print & design
Frank Pintauro, vp-adv operations
Robert Blackmore, vp-sales
R. W. Golden, vp-mktg
Don Eddy, director-mkt planning
Hal Alterman, director-mktg projects

ADVERTISING AGENCY

McCann-Erickson, New York— Steve Norcia, exec vp; R. Ravitz, senior vp; Les Greenwald, acct exec; Rebecca Tudor, creative group head; John Erickson, creative group head; Vince Tortorelli, media group head; Judy Sullivan, media planner; Joe Salvaggio, writer/producer; Colin Bowring, research.

RCA LTD. (CANADA)

MARKETING PERSONNEL

J. K. DeVoe, vp-adv & mktg services
L. Small, mgr-Canadian adv

ADVERTISING AGENCY

Leo Burnett Co., Toronto.

CIT FINANCIAL CORP.

MARKETING PERSONNEL

Neil Cunningham, vp-mktg, CIT financial serv
Harold Post, vp-adv, CIT financial serv
G. S. Kessler, vp-mktg, CIT Corp.
Tom Sawyer, vp-adv, CIT Corp.

ADVERTISING AGENCIES

Kelly, Nason, New York—C.I.T. financial services—Carl Gehron, vp-acct super.

Garvan, New York—C.I.T. Corp.—Gary Andersen, president; David Gesler, acct exec; Judy McCaffery, acct exec.

Ralston Purina

	1979	1978
Sales........	$4,600,000,000	$4,058,400,000
Earnings	128,100,000	154,600,000
Advertising...	108,028,200	91,000,000

Ralston Purina Co., St. Louis, the 42nd largest national advertiser, broke the $100,000,000 mark for the first time with its 1979 advertising budget. The company spent $108,028,200 on advertising, up 19% over 1978 levels.

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Sales in fiscal 1979 rose 13% to $4.6 billion, but net earnings fell 17% from the 1978 figure of $154,600,000 to $128,100,000 in 1979. There were two main reasons for the drop.

Ralston, which struggled for a number of years to make its Green Thumb houseplant division succeed, finally sold the venture, taking a considerable loss in the process. The company also closed its Jack in the Box restaurants in the East and Midwest markets where it was weaker, disposing of 232 outlets in the process, and retreated to the West, the chain's stronghold.

A vigorous ad campaign, by Wells, Rich, Greene/West, was kicked off in May by blowing up the Jack in the Box clown, a traditional symbol of the chain. As part of a push to spruce up the chain's image, the Foodmaker unit added some new sandwiches to the menu.

In 1979, Foodmaker opened several Taco Jack Mexican food franchises on the West Coast. The specialty dinner houses, operated under various names by the Continental Restaurant Systems division of Foodmaker, increased sales modestly and relied primarily on spot radio and print advertising.

▪ A good sales year for the agricultural products division helped offset the troubles caused by Jack in the Box and Green Thumb. Chow division sales and formula food sales hit $1.8 billion and provided almost 40% of the company's total sales.

Pet foods have traditionally been a strength for Purina. But an all-out effort by companies eager to cut into Purina's leading market share in the lucrative dry pet food market was felt by the company in 1979. Ralston Purina's major move to counter those attacks was to introduce Mainstay, a dry dog food with visible "flavor chunks," in January, 1980. It was backed up by a huge $25,000,000 ad budget.

In April, Ralston rolled national with Homestyle Blend dry dog food, and went national in August with Hero dry dog food, formulated to meet the nutritional needs of big dogs. RP completed national introduction of its very successful Bonz dog snack in September, 1979.

The company introduced a number of new dry and moist cat foods during 1979. Two of Ralston's main brands—Meow Mix cat food and Purina Cat Chow—each received about $7,000,000 in advertising.

▪ In cereals, Ralston's Chex brand fared well and its newest entry, Bran Chex, introduced in 1978, continued to pace the line. The company is currently launching Wheat & Raisin Chex.

Waffelos, a maple syrup-flavored children's cereal, went into test in November, 1979, and recently expanded into new markets in the Rocky Mountain region, Southeast and central Midwest. Ralston rolled national with Honey Bran cereal in August, and the company is pleased with sales.

RP continued its push to become a major U.S. grower and marketer of fresh mushrooms, under its Country Stand label. Earnings and sales from Keystone, a year-round resort in the Rocky Mountains near Denver, increased and Purina had more success with its St. Louis Blues hockey franchise than in 1978, although the franchise still lost money.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$1,746,400	$2,217,700
Magazines	10,834,200	9,300,600
Farm publications	436,600	592,200
Spot tv	19,711,800	14,752,500
Network tv	69,062,900	57,073,900
Spot radio	2,729,500	3,959,000
Network radio	307,800	307,500
Outdoor	19,500	31,200
Total measured	104,848,760	88,234,600
Unmeasured	3,179,500	2,765,400
Total	108,028,200	91,000,000

GROCERY PRODUCTS/-RESTAURANT DIVISION

W. P. Stiritz, group vp-director

GROCERY PRODUCTS

MARKETING PERSONNEL

W. M. Claggett, div vp-director, adv/mktg services
W. H. Lacey, div vp-director, mktg
J. P. Mulcahy, div vp-director of mktg, dog food group
B. E. Gensamer, div vp-director of product mgmt, cat food group
C. S. Sommer, director of mktg, human food group
D. B. Smart, director, Food Enterprises div

ADVERTISING AGENCIES

Avrett, Free & Fischer, New York—Purina Variety Menu, Kitten Chow, Cat Chow, Good Mews, Country Blend, and Ocean Blend cat foods; RyKrisp snack crackers; new prods—Ron Thomas, senior vp and director client services.

Checkerboard Advertising Co., St. Louis (house agency)—professional marketing group; new prods.

Della Femina, Travisano & Partners, New York—new prods—Jerry Della Femina, chairman, New York.

Don Tennant Co., Chicago—Whisker Lickins cat food, new prods—Tom Prchal, director client services.

Drossman Yustein Clowes, New York—Meow Mix cat food—Everetts Clowes, president.

Gardner Advertising Co., St. Louis—Chuck Wagon and Fit & Trim dog foods; Puppy Chow puppy food; Bonz dog snacks; new products—Donald Weakley, senior vp and director acct services.

MCA Advertising, New York—Mainstay dog food; Hero dog food; Purina High Protein dog meal; new prods—William Dunlap, exec vp.

Mandabach & Simms, New York—Checkerboard Foodservice—Ron W. Plummer, vp and director.

McDonald & Little, Atlanta—Cookie-Crisp and Waffelos cereals; new prods—Alf Nucifora, mgmt super.

N W Ayer ABH, New York—Honey Bran cereal; new prods—Dom Rossi, mgmt super.

Tatham-Laird & Kudner, Chicago—Special Dinners, Happy Cat; new prods—Pete Petray, mgmt rep.

Wells, Rich, Greene, New York/Los Angeles—Tender Vittles cat food; Purina Dog Chow, Butcher's Blend, Purina Blend and Moist & Chunky dog foods; Chex cereals; new prods—Dave Bulliet, New York; Pete Johns, Los Angeles, mgmt supers.

RESTAURANT DIVISION FOODMAKER INC.

MARKETING PERSONNEL

J. W. Goodall Jr., president and ceo, Foodmaker
T. W. Doan, exec vp, Continental Restaurant Systems
F. J. Cornwell Jr., exec vp, Jack in the Box
J. J. Bischoff, vp-mktg director, Jack in the Box
R. L. Hogan, director of retail mktg, Jack in the Box
J. Hickman, director of adv, Continental Restaurant Systems

ADVERTISING AGENCIES

Wells, Rich, Greene/West, Los Angeles—Jack in the Box—Mike Roth, acct super; Dee Macleod and Barbara Lewis, acct execs.

Cochrane, Chase & Livingston, Irvine, Cal. Continental Restaurant Systems—Bill Hopkins, acct super.

CHOW/PRODUCE PRODUCTS DIVISION

W. M. Jones, group vp-director

CHOW
MARKETING PERSONNEL

E. L. McMillan, div vp-director, mktg

ADVERTISING AGENCIES

Fletcher/Mayo, St. Joseph, Mo.—Frank Christman, acct super.

BFV & L Advertising, St. Louis—health industries—Mark Lashly, mgmt rep.

Avrett, Free & Fischer, New York—new horse feed prods—Ken Manka, acct super.

Checkerboard Advertising Co., St. Louis (house agency)—Omolene horse feed; special promos.

PRODUCE PRODUCTS
MARKETING PERSONNEL

R. L. Goodman, div vp-director
D. Graham, director of sales

ADVERTISING AGENCY

Vinyard & Lee & Williams, St. Louis—Country Stand fresh mushrooms and produce—Richard R. Vinyard, chairman.

RALSTON PURINA INTERNATIONAL

MARKETING PERSONNEL

T. H. Mullenix, group vp, Ralston Purina Co., president Ralston Purina Int'l
C. C. Fales, division vp-director, Agri-Products Marketing
V. L. E. Stisser, div vp-managing director, Asia-Pacific div and Canadian div
A. W. Donnelly, div vp-managing director, European div
R. N. Morrow, div vp-president and managing director, Mexican div
J. C. Langley, div vp-secretary-treasurer, IPSA de CV
L. A. Van Houten, div vp-managing director, South and Central American div
A. V. L. Browkaw, director, consumer prod mktg

ADVERTISING AGENCY

RPI Agri-Products Marketing Services, St. Louis (house agency)—J. D. Voss, mgr.

VAN CAMP SEA FOOD

MARKETING PERSONNEL

R. C. Atchinson, president
P. W. Rose, vp-director, mktg
D. Cushman, director, product mgmt

ADVERTISING AGENCY

N W Ayer ABH, New York—Chicken of the Sea tuna, new prods—George Lemmond, senior vp-mgmt super.

PROTEIN, POLYMER & DAIRY FOOD SYSTEMS DIVISION

P. H. Hatfield, group vp

ADVERTISING AGENCY

Bryan/Donald Advertising, Kansas City—protein and dairy food systems; Raltech Scientific Services.

MARICULTURE

R. M. Moeller, managing director, mariculture operations

DECO PLANTS

J. W. Gerber, president
P. S. Forman, vp-marketing

OPERATIONS DIVISION

S. L. Nieber, exec vp

KEYSTONE RESORT

MARKETING PERSONNEL

R. A. Maynard, president
J. D. Jones, vp

ADVERTISING AGENCIES

Evans & Bartholomew, Denver—Charles Bartholomew, president.

Checkerboard Advertising Co., St. Louis—media.

ST. LOUIS HOCKEY BLUES

MARKETING PERSONNEL

E. Francis, president
J. Galmiche, marketing director

ADVERTISING AGENCIES

Martin/Williams Advertising, Minneapolis.

Checkerboard Advertising Co., St. Louis—media.

Revlon Inc.

	1979	1978
Sales	$1,717,993,000	$1,451,669,000
Earnings	152,688,000	129,233,000
Advertising*	101,001,000	92,000,000

*** Estimated by AA**

Revlon Inc., New York, the 47th largest national advertiser, increased its ad spending about 11% to $101,001,000 in 1979 as sales and earnings climbed 18.3% and 18.1%, respectively, over 1978's figures.

In its annual report, Revlon put worldwide advertising expenditures at about $160,000,000, compared with $137,725,000 a year earlier. The company figures include costs for brochures, research and maintenance of the ad department not included by AA.

Sales and earnings increases were spurred by increased productivity and accelerated growth in beauty and health care worldwide. Another factor was broader support for research and development, which increased from $30,762,000 to $39,911,000 in 1979. Abroad, the introduction of new products and the performance of established brands gave Revlon International a sales growth rate exceeding that of the U.S. division.

Approximately 64% of Revlon's volume came from beauty product sales here and abroad. The remaining 36% was generated by health products and services, both domestic and international.

▪ In 1979, the U.S., Canada and Puerto Rico contributed $897,626,000 to total revenues; Europe, the Middle East and Africa $523,117,000, and other areas of the world $297,250,000. Worldwide, 41% of net sales came from cosmetics and fragrances, 23% from beauty care and treatment, 18% from ethical pharmaceuticals and 18% from other health products and services.

However, those percentages will soon change. In August of 1979, Revlon reached an agreement in principle with Technicon Corp. to buy the Tarrytown, N.Y., manufacturer and marketer of instruments for the analysis of blood, serum, foods, pharmaceuticals, water pollutants and industrial products. The acquisition was successfully completed in 1980 and almost evenly divides Revlon's business between health care (45%) and beauty products (55%).

On the beauty side, Revlon acquired Institute Jeanne Gatineau, a French cosmetics company, for an undisclosed amount of cash in February, 1980.

New beauty products added to the company's roster in 1979 included Dermanesse, a skincare line for black consumers under the Polished Ambers umbrella, Classic Revlon professional eye coloring sticks and Moon Drops Masques. Revlon also readied the 1980 launch of Perfumatics 2000, a trio of perfumes designed for supermarket distribution.

▪ Also brought out by the company were: Moon Drops Moisture Release treatments, a series of Eterna skin toners and cleansers, Formula 2 liquid blush and eyeshadow pencils, perfume and cologne compacts and sticks under the Charlie and Jontue labels as well as Natural Wonder Fresh All Day eye shadow and powder blush.

The introductions above came from Revlon's Group I division. Internally, Revlon divides its beauty business into three groups. Each group is geared toward a specific consumer segment and contains cosmetics "houses" with products, packaging and marketing designed to match group characteristics. Thus there are the popular-price houses of classic Revlon, Moon Drops, Natural Wonder and Charlie within Group I and the high-fashion houses of Princess Marcella Borghese, Ultima II and Etherea fragrances within Group III.

In 1979, Group III introduced Norell II, a new fragrance, repackaged Ultima II and launched new lip, nail and eye makeup under that name. Princess Marcella Borghese added two skin treatment products called Lumina and Duale and Lumina lipstick, and the Etherea collection expanded with Environmental Protection lotion, Optigel eye-area moisturizer and Moisture Specific Facial Refiner.

▪ Group II, composed of toiletries, hair care, coloring items and antiperspirants, in 1979 completed its first full year with a separate sales organization responsible for Flex, Colorsilk, Mitchum and Milk Plus 6 among other brands. Flex claimed the leading share among conditioners and was third among shampoos.

The Revlon professional products group launched Moistcure, a professional permanent wave and Instant Styling Perm, a home permanent.

The most heavily advertised Revlon cosmetics, treatments, fragrance and hair care products, according to measured media figures from Leading National Advertisers, include No. 1 selling Charlie perfume, which received $4,154,900; Jontue, $3,528,700; Natural Wonder cosmetics, $2,379,600; Revlon Colorsilk hair color, $3,558,000; Flex hair care, $7,062,600, and Revlon Ultima II cosmetics, $3,267,200. Both Charlie and Jontue were down slightly against 1978 expenditures and Flex measured media spending dropped by over $1,000,000.

In fall of 1979, Revlon also began expanding distribution of its Chaz men's fragrance. An increased ad budget of $1,492,000 for print and spot tv accompanied the push.

▪ Oxy Wash was introduced by Revlon's health care group in the fourth quarter of 1979. This benzoyl peroxide cleanser expanded the acne market franchise for Norcliff-Thayer, the marketer of Oxy 5, Oxy 10 and Oxy Scrub.

Norcliff-Thayer also began testing in 1979 Soothe & Clean hygienic anal cleansing foam in Peoria, Ill. A 3.2-oz. can of 120 applications retails for about $3. Compton handles.

In ethicals, Armour Pharmaceuticals introduced Calcimar solution for treatment of Paget's disease, a chronic bone condition. It also introduced two new plasma fractions: Albuminar-5, a new form of serum albumin, and Factorate.

Revlon Inc. is the 22nd largest U.S. medical advertiser, with ad spending of over $11,000,000 through detailing and journals.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$ 213,500	$1,214,800
Magazines	10,638,800	9,580,700
Spot tv	19,115,500	13,259,800
Network tv	26,793,700	23,124,700
Spot radio	1,246,900	733,400
Network radio	1,289,600	945,700
Outdoor	5,200	55,800
Total measured	59,303,200	48,914,900
Unmeasured	41,697,800	43,085,100
Estimated total	101,001,000	92,000,000

REVLON INC.

New York

MARKETING PERSONNEL

Sanford Buchsbaum, exec vp-adv
Fred Rhines, adv director
George W. Feld, vp-adv services
Anthony Cozzolino, media/budget director
John Maisano, president, Group I
Harvey Schwartz, president, Group II
Lawrence Wechsler, president, Group III

ADVERTISING AGENCIES

Grey Advertising, New York—all classic Revlon and Natural Wonder products, Flex, Jontue, Colorsilk, Eterna 27—Blair Plowman, exec vp.

50th Floor Workshop, Revlon's in-house agency—Revlon lipstick and nail enamel, Charlie, Chaz, Ultima II, Ciara, Cerissa, Etherea, Norell, Princess Marcella Borghese, Bill Blass—Martin Stevens, vp-creative services; George Feld, vp-adv services; Rita Grishman, creative director.

Marschalk Co., New York—Mitchum—Anthony Wainwright, exec vp.

Leo Burnett Co., Chicago—Moon Drops, Formula 2—Gordon Barrett, mgmt super.

Norman, Craig & Kummel, New York—Milk Plus 6, Classic Revlon eyeshadows—Al Evans, mgmt super.

USV LABORATORIES DOMESTIC

Tuckahoe, N.Y.

MARKETING PERSONNEL

James O'Brien, president
John Szlasa, vp-marketing

ADVERTISING AGENCIES

Klemtner Advertising, New York—Hygroton, Regroton, MVI—Martin Meaney, acct exec.

Wesson & Warhaftig, New York—Arlidin—Bob Beckman, acct exec.

NORCLIFF-THAYER

Tuckahoe, N.Y.

MARKETING PERSONNEL

Charles A. Pergola, president
Robin Mills, vp-marketing
Matt Gordon, director, new prods
Larry White, mktg group mgr

ADVERTISING AGENCIES

Case & McGrath, New York—Oxy 5, Oxy 10, Oxy Scrub, A-200, new products—Don Gilbert, vp; Steve Bayer, acct super.

Marschalk Co., New York—Esoterica, Liquiprin, Nature's Remedy, new products—Barry Linsky, senior vp; Mike Krugman, vp-acct super.

Leo Burnett Co., Chicago—Tums, new prods—Alan Yurman, senior vp mgmt director; Bill Watts, acct super.

Cadwell, Davis, Savage, New York—Pretty Feet & Hands—N. Savage, vp; J. Zeiler, vp-acct super.

ARMOUR PHARMACEUTICAL

Phoenix

MARKETING PERSONNEL

William Weathersby, exec vp
William A. Schoeneberger, director mktg and sales

ADVERTISING AGENCY

Stewart Williams, Stamford, Conn.—Nicobid, Calcimar, Dialume, Biozyme, burn products—Ed Lindner, acct exec.

BARNES-HIND PHARMACEUTICALS

Sunnyvale, Cal.

MARKETING PERSONNEL

Kevin Ryan, president
Robert Kellish, director mktg

ADVERTISING AGENCY

Vicom Associates, San Francisco—Wetting Solution, Titan, Comfort Drops, One Solution, Gel/Clean, Degest 2, Cylsodrast, Komed, Komex, Barseb Ther-Spray, Neo Tears, Soft Therm, Soft Mate, Soft Mate Storage, Soft Mate Rinsing—Bill Isaacs, acct rep.

NATIONAL HEALTH LABORATORIES

La Jolla, Cal.

MARKETING PERSONNEL

Robert E. Draper, president.

ADVERTISING AGENCY

All advertising is handled in-house.

MELOY LABORATORIES

Springfield, Va.

MARKETING PERSONNEL

Don Lewis, president
William Watson, vp
David Bova, mkt mgr, Life Sciences
R. Patrick Connor, mkt mgr, instruments
Kelly Miller, mkt mgr, diagnostics

ADVERTISING AGENCY

All advertising is handled in-house.

R.J. Reynolds Industries

	1979	1978
Sales†	$8,935,200,000	$6,709,200,000**
Earnings† ...	55,900,000	441,000,000
Advertising*	258,115,100	182,596,000

†Worldwide
***U.S. only, AA estimate**
****Restated**

R.J. Reynolds Industries, Winston-Salem, N.C., the nation's seventh largest national advertiser, spent $258,115,100 on advertising in 1979, a 41% increase over 1978.

Worldwide company sales in 1979 rose 33.2%, to $8,935,200,000, while earnings increased 24.7%, to $550,900,000.

The spurts in sales, earnings and advertising were helped along by Reynolds' merger in February, 1979, with Del Monte Corp., a move designed, in chairman J. Paul Sticht's words, to fulfill a "long-standing goal of establishing a second major franchise in consumer package goods."

Indeed, Reynolds' food sales, heretofore limited to its RJR Foods unit, jumped nearly seven times during the year, to $1,962,100,000. That was enough to account for 22% of corporate sales in 1979, compared with 4.2% in 1978.

The first big franchise, of course, remains the tobacco business. Domestic and international tobacco sales, which accounted for 56.3% of corporate sales in 1979 (compared with 67.1% in 1978), rose 8.1% and 18.9%, respectively.

▪ Shipping revenues—Reynolds has an ocean transportation subsidiary—also showed an increase, 10.6% in 1979. Energy sales through the Aminoil USA subsidiary declined 10.8%, but earnings from operations in this area more than tripled during the year. The company attributed the sales drop to the loss of oil production in Iran, and the sale of a home heating oil distribution interest.

Reynolds' packaging subsidiary, RJR Archer, also registered a sales decline, 5.4%, and earnings from operations declined from $18,600,000 in 1978 to $15,300,000 in 1979, due partially to the sale of a division.

In the tobacco area, R.J. Reynolds Tobacco, continues to be the nation's largest manufacturer. It claimed 32.7% of the market in 1979, a slip from 32.9% in 1978 (the cigaret market as a whole was up an estimated 1%). Four of the top 10 selling brands remain RJR Tobacco products.

Winston, the company's top brand and No. 2 in the nation behind Philip Morris Inc.'s Marlboro, saw its market share slip from 14% in 1978 to 13.4% in 1979, though company officials said recently that sales have stabilized.

The Winston Lights line, meanwhile, continued its gains, from 2.8% of the market to 3.3%, reflecting the intense interest in low-tar brands, which now account for an estimated 42% of total consumption.

In advertising—Reynolds has been the No. 1 magazine advertiser during the year—measured media spending for the Winston brand totaled $41,496,600, with $25,724,600 going to magazines, $7,745,900 to newspaper supplements and $8,026,100 to outdoor.

Late last year, Reynolds fired Dancer Fitzgerald Sample as its agency on the Winston account, turning it over to William Esty Co. on Jan. 1. Sources said the move came as "a business decision," pointing to Winston's drop to No. 2 after DFS took over the account five years ago.

Salem, the company's No. 2 brand and No. 4 nationally, maintained an 8.8% share in 1979. Salem Lights continued to show growth, from 3% in 1978 to 3.7% in 1979, and hopes are banking on further expansion with the introduction of Salem Ultra Lights, which was to be introduced in August.

▪ Spending for the brand amounted to $31,531,300 in 1979, with $18,093,700 going to magazines, $7,353,900 to newspaper supplements and $6,083,700 to outdoor.

The Camel brand, with the introduction of Camel Lights 100, during the year, captured 4.3% of the market in 1979, making it No. 7 nationally. Camel Lights, one of the brighter spots in the Reynolds lineup, came up with a 1.1% share.

Visitors to China may soon find much evidence in the brand there, now that R.J. Reynolds Tobacco International and the People's Republic of China have worked out an agreement to manufacture and market Camel filters in the country.

▪ Measured media spending for the brand totaled $29,572,900 in 1979, with $15,332,100 going to magazines, $5,357,600 to newspaper supplements and $8,833,200 to outdoor. The account was assigned to BBDO after William Esty Co., which had handled it previously, picked up the Winston account (Esty continues handling Salem).

In the increasingly competitive low-tar category, Vantage continued to edge upward, increasing from 3.1% of the market to 3.4%, making it No. 9 nationally. But with the national rollout of Vantage Ultra Lights, a 6mg line extension, during the year, the share has reportedly risen to 3.95%.

Measured media spending for the brand amounted to $29,652,900, with $22,125,800 going to magazines, $5,511,600 to newspaper supplements and $2,015,500 to outdoor.

▪ Another low tar, Doral, reversed the decline it experienced in 1978 by posting a unit sales increase of 21.9% in 1979. The credit goes to Doral II, which came up with a 0.4% market share after it was introduced nationally last year. The brand as a whole increased to 0.7% from 0.5%.

KNOW THY COMPETITION

See page 113

LNA

MARKETING PROFILES

Measured media spending, virtually all of it for Doral II, totaled $11,591,300, with $7,436,100 going to magazines, $3,740,100 to newspaper supplements and $415,100 to outdoor.

Real, the brand introduced in 1977 with more than $40,000,000 of ad support, was discontinued this year after sales kept declining. After its much ballyhooed launch, Real disappointed company execs as it slid to a 0.34% market share in 1979.

"Real basically was not positioned correctly, nor was its copy strategy," said Gerald Long, exec vp of R.J. Reynolds Tobacco.

In 1979, measured media spending for the brand totaled $8,012,200, with $7,910,300 going to magazines and $101,900 to outdoor.

One category that spurred interest in 1979 was the low-tar menthol cigaret, but Reynolds' entry, Brookwood, did not meet expectations. The 9mg tar cigaret was withdrawn from test market after seven months.

While the low tars slugged it out, the ultralow tars were making waves of their own. Reynolds, with the introduction of Now 100s this year, is reportedly at a 1% market share level. The Now brand has been attempting to cut away at the segment's leader, American Tobacco's Carlton, which has a 2.4% share, while at the same time it has been fighting off Philip Morris' new Cambridge.

In a move toward the "ultimate," Reynolds slashed the content of one member of its Now team to less than 0.01mg tar, countering Carlton's move toward 0.06mg and Cambridge's 0.1mg.

■ Earlier, Reynolds launched ads claiming that tests showed smokers preferred Now to Carlton, which is said to be the fastest growing brand in the industry. Such comparative advertising, which also appeared in the low-tar segment, reflected a get tough strategy and a beefed up ad budget on RJR Tobacco's part.

Measured media spending for the brand totaled $9,380,400 in 1979, with $9,064,000 going to magazines and $315,400 to outdoor.

More, the 120mm cigaret wrapped in brown paper, registered a 1.1% market share in 1979. Spending totaled $10,351,600 in 1979, with $6,359,500 going to magazines, $3,783,500 to newspaper supplements and $77,900 to outdoor.

Much of Reynolds' attention during the year was focused on its $618,000,000 merger with the San Francisco-based Del Monte Corp. The move came as part of an effort to combine Del Monte's international production and marketing network with Reynolds' advertising and marketing expertise exhibited through its RJR Foods subsidiary.

To integrate activities in this area, Reynolds moved its RJR Foods Winston-Salem operations to San Francisco, making the unit the prepared foods and beverage arm of Del Monte.

Del Monte, the world's largest canned foods processor, has 170 varieties of canned fruits and vegetables, tomato products, juices, dried fruit, pickles and specialty products in its U.S. grocery products group. Measured media spending in 1979 totaled $4,248,900, divided between magazines and spot television. Granny Goose Foods, a snack food subsidiary, spent $159,000 over the same period.

■ RJR Foods, named "Processor of the Year" by *Processed Prepared Foods*, saw considerably more ad activity. The biggest amount of spending came for Hawaiian Punch, which totaled $9,116,000 in measured media expenditures, mostly in network tv. Milk Mate, in its first year of national distribution, was supported by $8,745,300, while Chun King had $2,200,400. The Patio line of Mexican Foods, which introduced a variety of single serving boil-in-bag entrees, was backed by $1,005,700.

Discover satisfaction.
Camel Lights.

R. J. Reynolds Camel cigaret ad introducing its entrant into the low-tar cigaret market.

One item of interest to ad agencies was Reynolds' move to bring all of its media buying in-house. The action, viewed as a significant move within the ad industry, will be gradual, according to sources.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$87,991,600	$61,093,400
Magazines	114,869,300	71,517,200
Farm publications	185,406	——
Spot tv	6,924,700	7,113,300
Network tv	15,352,700	7,947,000
Spot radio	2,472,700	221,500
Outdoor	26,515,700	31,987,500
Total measured	254,312,100	179,879,900
Unmeasured	3,803,000	2,716,400
Estimated total	258,115,100	182,596,300

R.J. REYNOLDS TOBACCO CO.

MARKETING PERSONNEL

G.H. Long, exec vp
N. Glover, group director-brand mktg
Mike McAllister, Richard Kampe, Harry Lees, Sally Mackinnon, group brand mgrs
Dan Pearson, director of media
M.L. Orlowsky, director mktg services
S.C. Wooten, director of specialty tobacco prods
J.B. Stuart, group director-mkt devel

ADVERTISING AGENCIES

William Esty Co., New York—Winston, Salem—Paul R. Dooling, president, acct director; Laurence M. Wassong, acct group head; John E. Neal, William D. Ponzer, vps, mgmt supers; Jeff Hill, art director, creative codirector; Patrick Fanelli, Chet Stover, creative directors; Emil Dispenza, vp, art director.

BBDO, New York—Doral, Camel—Jerry Lee, vp, mgmt super; Phil Slott, creative director.

Leber Katz Partners, New York—Vantage, More, Now—Stanley H. Katz, senior mgmt; Jerome L. Davidow, senior mgmt super; Walter A. Carey Jr., mgmt super; Jack Silverman, Bernard Zlotnick, creative directors.

Tatham-Laird & Kudner—smoking and chewing tobacco, special projects—Charles Standen, Jerry Birn, managing partners; Tim Collins, mgmt super; Tom McDonald, Kirk Borland, acct supers; Dave Fairman, exec creative director; Bob Bassindale, Joel Goldsmith, creative directors.

DEL MONTE CORP.

MARKETING PERSONNEL

Jack O'Connor, vp-mktg, U.S. grocery prods
Robert D. Kroll, group vp, prepared food & beverages
Jack Bieda, director, mktg rsch

ADVERTISING AGENCIES

McCann-Erickson/San Francisco—Del Monte U.S. grocery products group—John J. Tormey, exec vp, genl mgr; Ross Heil, vp, acct super.

Ayer/Pritikin & Gibbons—Granny Goose Foods—Jerry Gibbons, president.

BBDO/West/San Francisco—Hawaiian Punch—Joe Barrett, exec vp, genl mktg.

Advertising To Women, New York—Chun King, Patio, new products—John Ernst, chairman; Lois Ernst, president.

Lee King & Partners, Chicago—Milk Mate—Jerry Rashkin, exec vp.

Richardson-Merrell

	1979	1978
Sales†	$1,090,546,000	$944,961,000
Earnings†	62,956,000	66,179,000
Advertising*	123,300,000	105,000,000

†Fiscal years ended June 30, 1979, and June 30, 1978
*AA estimated

Richardson-Merrell, Wilton, Conn., the 36th largest U.S. advertiser, increased its 1979 advertising by 18% with estimated total expenditures of $123,800,000.

■ Worldwide ad spending increased 20% in fiscal 1979 to $215,923,000 from the $179,279,000 1978 fiscal total.

Worldwide sales rose 15% from $944,961,000 to $1.1 billion. Net earnings fell 5% from the 1978 total of $66,179,000 to $62,956,000.

Manufacturer of health and personal care products, toiletries, chemicals and furniture refinishing and care products, Richardson-Merrell maintained its recent policy of focusing research, development and marketing resources in areas where it already has strong marketing positions.

During the fiscal year 1979, Richardson-Merrell sold its Jensen-Salsbery veterinarian and Tulox-Lumelite-Bradley packaging divisions and acquired Etablissements F. Vibert S.A. and its Petrole Hahn hair tonic, boistering its international personal care lines.

■ The company also introduced four new products in its consumer products division, extending its existing lines of personal, denture and skincare. The products are Night of Olay, Topex, Complete and super strength Clearasil.

The consumer products division accounts for 65% of the company's sales and 80% of its operating profits. This division was backed by $53,616,400, or 94% of Richardson-Merrell's total measured media budget of $57,238,600.

The consumer products division posted a sales increase of 17% to $711,697,000, but operating profits fell 2% from the 1978 total of $110,731,000 to $108,217,000.

■ The Sinex nasal sprays, a highly profitable product line, were voluntarily recalled in the fall of 1978 when Richardson-Merrell discovered a resistant bacteria in the medication. According to the company, the effect of the recall was to reduce after-tax income by $9,800,000.

Low incidence of colds and flu in 1979 resulted in moderate sales for other products of the Vicks cough/cold line, although Formula 44 cough medication achieved stronger sales and market position than in the previous year. NyQuil's market share slipped because of strongly backed competition. The $5,402,900 in measured media support for NyQuil was a 31% decrease from the previous year's backing of $7,069,400. Some 74% of the 1979 backing went to network tv. A new cough drop, Vicks Blue, was tested in local markets.

■ Oil of Olay again received the company's strongest measured media backing with $15,541,600, a 16% decrease from the previous year. Although Oil of Olay's sales slipped in 1979, a new ad campaign was launched in January and sales increases were posted in the second half of fiscal 1979. Young & Rubicam handled the campaign, which abandoned the beauty tip format in favor of an appeal to mature women.

The introduction of Night of Olay, a nighttime skin cream, pushed the Olay line's sales ahead of 1978 despite Oil of Olay's drop. Night of Olay received $4,212,600 in measured media support, $4,125,000 of which went to network tv.

Richardson-Merrell also introduced Topex, an acne medication which received measured media support of $1,407,500, $1,383,500 in spot tv. At the end of fiscal 1979, super strength Clearasil was launched.

The Clearasil line received $4,451,600 in measured media backing, a 15% increase from fiscal 1978. Clearasil acne lotion got $1,706,300; Clearasil medication, $1,312,400; and Clearasil medicated cleanser, $1,432,900.

Fasteeth and Fixodent denture adhesives held the No. 1 and 2 positions in their markets. Richardson-Merrell's Complete, in its first full year on the market, had good sales with measured media backing of $2,948,100.

Merrell National Laboratories posted sales of $261,328, a 12% increase over the previous year. Operating profits for this division increased 16%.

In addition to the ethical pharmaceutical staple products, including Norpramin, an antidepressant, and Bentyl, prescribed for gastrointestinal disorders, Merrell now has Chronulac, the first prescription laxative on the market. Several new prescription products are now under review by the Food & Drug Administration.

Merrell's over-the-counter products responded well to increased support the past year. Cepacol mouthwash sold well despite increased competition.

Lavoris, Richardson-Merrell's mouthwash in the consumer products division, did not increase its market share in 1979.

J. T. Baker, in the specialty chemicals and diversified products division, had strong growth in fine and industrial chemicals. The division recorded $117,521,000 in sales.

Sales for Formby's Inc., Richardson-Merrell's wood care product line, improved in the second half of fiscal 1979. Also last year, Richardson-Merrell moved the account to Epstein, Raboy Advertising, New York. The previous agency was Durham & Associates.

■ Cepacol was moved from Sive Associates to Shaller Rubin Associates, New York. The Chronulac account has been assigned to Benton & Bowles' Medicus Communications. 60/40/20 oil control deep cleanser will be tested in the Southwest as well as in Boise, Ida., where it has been handled by Shirley Polykoff Advertising.

Denquel, a sensitive teeth toothpaste, will be tested in various local markets and handled by Young & Rubicam, New York.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$328,000	$107,600
Magazines	3,324,600	2,597,500
Spot tv	11,682,400	10,367,100
Network tv	39,175,600	39,712,700
Spot radio	1,699,700	2,783,200
Network radio	1,028,300	384,800
Total measured	57,238,600	55,952,900*
Unmeasured	66,561,400	49,047,100*
Estimated total	123,800,000	105,000,000

*Restated

VICKS HEALTH CARE DIVISION

MARKETING PERSONNEL

R. A. Ahrens, president/genl mgr
S. W. Bryan, mktg director
W. LoCurto, mktg director
W. S. McGranahan, vp-mktg services

ADVERTISING AGENCIES

Benton & Bowles, New York—Roy Bostock, vp; Richard Hopple, senior vp-mgmt super.

BBDO, New York—Allen Rosenshine, president; Norm Bierman, mgmt super.

Case & McGrath, New York—John Havrilla, acct exec; Claudia Horty, acct super, Daycare liquid cold medicine.

VICKS TOILETRY PRODUCTS DIVISION

MARKETING PERSONNEL

J. D. Auty, president, genl mgr
C. Nash, exec vp

ADVERTISING AGENCIES

Benton & Bowles, New York—Clearasil prods, Fasteeth, Fixodent, Topex—Ken Hite, mgmt super; Betsy Bernstein, Mary Roche, acct supers.

Young & Rubicam, New York—Olay products, Complete, new prods—Robert Gleckler, mgmt super; John Clement, John Foote, acct supers.

North Castle Partners Advertising, Greenwich, Conn.—Lavoris—Lynn Rotundo, mgmt super.

Shirley Polykoff Advertising, New York—new prods.

Reva Korda & Associates, New York—new prods.

Carrafiello-Diehl & Associates, New York—professional.

MERRELL-NATIONAL LABORATORIES DIVISION

MARKETING PERSONNEL

K. R. Munroe Jr., vp-mktg
J. D. Dishaw, vp-sales
P. L. Wilson, vp-medical promotion & planning
F. R. Gace, director-advertising

ADVERTISING AGENCIES

Medicus Communications, New York—prescription products—Nick Maiali, vp-client services; Edward Smith, acct exec.

Shaller-Rubin Associates, New York—otc prods, Paul Goldsmith, acct super; John Donati, acct exec.

J. T. BAKER CHEMICAL CO.

MARKETING PERSONNEL

P. E. Brunswick, vp-mktg, laboratory prods
B. M. Rein, vp-mktg, specialty chemicals
D. Hoffmeister, director of mktg, horticultural prods
J. L. Zapf, director, mktg admin

ADVERTISING AGENCIES

Rosston, Kremer & Slawter, New York—Paul D. Slawter, vp.

Steigler Agency, Allentown, Pa.—Daniel Wells, acct exec.

PKG/Cunningham & Walsh, Chicago—James Davison, vp.

J. T. BAKER DIAGNOSTICS DIVISION

MARKETING PERSONNEL

J. R. Kelsey, president
M. G. Holsom, vp-mktg
D. J. Holland, vp-sales and distribution

ADVERTISING AGENCY

Barbetta Miller, Fairfield, N.J.—Joseph Barbett, president; Rebel Robertson III, senior vp; Thomas Brogan, exec vp.

FORMBY's INC.

MARKETING PERSONNEL

J. B. Cappio, vp, genl mgr
J. D. Mitchell, mktg director
W. Melvin, national sales manager
R. Porter, national accounts manager

ADVERTISING AGENCY

Epstein, Raboy Advertising, New York—Jerry Martin, mgmt super.

VICK INTERNATIONAL EUROPE/AFRICA

MARKETING PERSONNEL

G. B. McClure, president, genl mgr
J. R. Markley, asst genl mgr
T. W. Peterson, mktg director
J. W. Coyne, group director, cough & cold prods
R. May, group director, teen age
J. W. Blades, group director, toiletries
D. O. Schultz, group director, baby products, oral hygiene

VICK INTERNATIONAL LATIN AMERICA/FAR EAST

MARKETING PERSONNEL

T. M. McGuire, president, genl mgr
R. A. Olson, vp-director of mktg
W. A. Crowther, director-mktg, communications
W. P. Streckert, director-mktg rsch
L. P. Mattis, exec vp

A.H. Robins Co.

	1979	1978
Sales	$386,425,000	$357,079,000
Earnings	44,746,000	29,916,000
Advertising	36,955,900	32,886,000

A.H. Robins Co., Richmond, Va., maker of health care and consumer products, was the 93rd largest national advertiser in 1979, spending approximately $36,955,900, up 12% from 1978.

While company sales grew 8% in 1979, to $386,425,000, earnings jumped 50% to $44,746,000. The earnings growth was attributed mainly to favorable settlement of an antitrust suit filed against the Hartz Mountain Corp.

Hartz agreed to pay Robins subsidiary Miller-Morton $42,500,000 over a five-year period after Miller-Morton filed suit charging Hartz with illegal monopolistic and anticompetitive practices. Hartz holds a slight lead over Miller-Morton in the $125,000,000 pet accessories market. Hartz also agreed to regulation of its practices in the pet products business by a federal district court for five years.

■ Robins continued to pay for litigation expenses and settlements related to the Dalkon Shield. In 1979, expenses totaled $6,005,000, down from $9,560,000 in 1978. However, at the end of 1979, approximately 595 product liability cases were pending in various courts, and 245 nonlitigated claims were being evaluated by the company.

Health care products accounted for 70% of worldwide sales, with consumer goods including Sergeant's pet care products, the Quencher line of cosmetics, and Chap Stick lip balm in the U.S. and the Caron line of fragrance in Paris comprised the remainder.

Support for Miller-Morton's Quencher line, which accounted for 40% of Robins' measured media expenditures in 1978, declined to 25% of the total in 1979.

1979 saw the introduction of new packaging and graphics on the Quencher line and the launch of the "Color me Quencher" umbrella theme. Spending on the entire line decreased from $11,000,000 in 1978 to $8,000,000 in 1979, with much of the difference accounted for by the discontinuation of advertising for Skin Quencher hand and body lotion.

Spending on Lip Quencher Lipstick, which has a 10 share in the lip color market and is the leader in pegged lip color products, increased to $8,000,000 from the previous year's $7,000,000.

Also on the Quencher line, the company introduced six shades of Lip Quencher Glosstick. Eighteen shades of Quencher Nail Glaze were brought out in late fall after testing for some months in Nashville and Charlotte, N.C. The company is planning to back the nail glaze with $3,500,000 in 1980.

- A Moistglow makeup with creme blush and pressed powder also made its debut in the fall.

1979 saw a new logo, packaging and ads for the Chap Stick products. The leading lip balm increased its ad spending from $4,000,000 to $5,000,000. Three new flavors were added to the Chap Stick Lip Treat line, which doubled its spending from $558,600 to $1,095,600.

In the fall, the company brought out a group of Sergeant's pet vitamins, Vitapet 1, 2 and 3, chewable tablets in different formulas for puppies, adult dogs, older dogs and cats.

In December, a Sentry V flea and tick collar, which the company says combines both dusting and vaporizing ingredients and works for five months, joined the Sergeant's line. The collar had been introduced in Canada earlier in the year. Robins said it intended to back the product with tv and newspaper in 1980.

Company spending on Sentry products rose from $5,500,000 in 1978 to $6,300,000 in 1979.

Based on the success Miller-Morton has achieved with its consumer products, Robins now is marketing its health care products more aggressively. Sold under the Elkins-Sinn and A.H. Robins names, principal pharmaceutical products are drugs for coughs and colds, antispasmodic drugs for gastrointestinal disorders, skeletal muscle relaxants and vitamins. They are distributed throughout the U.S. as well as in Canada, Latin America, Europe, the Far and Middle East and Africa.

Spending for Robin's Robitussin family of cough syrups, the leading line sold in pharmacies, more than doubled from $4,600,000 in 1978 to $9,645,000 in 1979.

In the spring, Robins Dimetane tablets and elixer were changed to nonprescription. In addition, Z-BEC, a high potency formulation of Vitamin C.B. complex, Vitamin E and zinc, and Albee with C were added to the Robitussin line. In the fall, Albee C-800 and Albee C-800 plus Iron joined the group as "extra-strength vitamins for extra effort people."

In July, Robins began marketing an injectable formula of Reglan which is being promoted to gastroenterologists. In September, Elkins-Sinn introduced the first generic hydroxyzine hydrochloride, a tranquilizer for intramuscular injection.

During 1979, the company realigned its health care operations by merging the Elkins-Sinn and A.H. Robins sales forces and dividing it into ethical, consumer and hospital groups.

The company uses advertising in medical and pharmaceutical journals for many of its pharmaceutical products. These expenditures do not show up in measured media figures, and are estimated to account for much of Robins' approximately $6,000,000 in unmeasured media spending.

Robins ranks 22nd in the over-all health care market, and 19th among those companies marketing ethical pharmaceuticals. A 1979 research study showed that the company is No. 4 among U.S. pharmaceutical manufacturers in new prescriptions written. It had nine products among the top 200 most widely prescribed products in the U.S. in 1979.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$ 800	$ ——
Magazines	1,435,000	2,225,400
Spot tv	29,321,100	24,937,800
Network tv	447,700	——
Outdoor	900	1,000
Total measured	31,205,500	27,164,200
Unmeasured	5,750,400	5,721,800
Estimated total	36,955,900	32,886,000

MARKETING PERSONNEL

Corporate

E. Clairborne Robins, chairman
E. Clairborne Robins Jr., president
Robert G. Watts, exec vp
John L. Burke, vp-sales mgr
Gerald K. Wilburn, director, mktg
Frank W. Mann Jr., adv director
Frank W. Gilbert, mktg rsch director
John D. Taylor, vp-public affairs

VioBin Corp.

W.E. Melby, president

Babcock Industries Inc.

Bruce M. Babcock, president

Parfums Caron

Henry Alexander Bertrand, president
A. Stuart Powell, vp-genl mgr, Caron Corp.

Chap Stick Co.

Daniel E. French, president
David B. Wallace, vp-mktg
Frank C. Britt, director, promo mktg
Randy Wheeler, mkt devel mgr

Miller-Morton Co.

DeWitt F. Helm Jr., president
Jack E. Francis, vp-genl mgr
Frank J. Stumpf Jr., brand mgr, h&ba
L. Bradford Armstrong, group mgr, pet care prods
Sally M. Wood, group mgr, cosmetics prods.

ADVERTISING AGENCIES

Symon, Thomas & Hilliard, New York—pet care products, creative only—James W. Thomas, mgmt super.

Direct Mass Marketing Inc., New Rochelle, N.Y.—Blair div, Anna Elizabeth Wade & Kenneth div.—David Reichberg.

Arnold Hinton & Hoff, Schaumburg, Ill.—VioBin Corp.

Mil-Mor Advertising (in-house)—Sergeant's pet care prods, Chap Stick lip balm, Lip Quencher, Nail Quencher, media in all products—James K. Willis, vp-genl mgr; Michael Maxwell, media director; Barbara Felton, mgr, broadcast services; Dan Schechner, mgr, print services.

Woltz & Associates, Richmond—various corporate & product assignments.

David Popofsky Advertising, New York—various corporate & product assignments.

James Jordan Inc., New York—health & beauty aids, cosmetics, creative only—James Jordan, Jack Taylor, Wendy Cole.

1979 AD $ SUMMARY

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LNA

MARKETING PROFILES

Schering-Plough Corp.

	1979	1978
Sales	$1,434,022,000	$1,082,493,000
Earnings	219,764,000	193,629,000
Advertising*	78,000,000	68,000,000

*** Estimated by AA**

Schering-Plough Corp., Kenilworth, N.J., the 58th largest national advertiser, increased its national advertising spending to an estimated $78,000,000 in 1979, up 15% over 1978.

Sales rose 32% to $1.4 billion and the company chalked up record earnings of $219,764,000, up 13% from 1978. Richard J. Bennett, president and chief executive, said sales growth for the year was accelerated by acquisitions, particularly of Scholl Inc., which was purchased in April of 1979.

Ethical pharmaceuticals continued to be the mainstay of the company, contributing $756,500,000 in sales revenues; consumer products added $514,400,000 and home products $94,100,000.

While ethical pharmaceuticals are important to the company's balance sheet, the consumer products division easily got the bulk of Schering-Plough's advertising expenditures.

- Maybelline cosmetics continued to be the company's most heavily advertised product line, accounting for more than 40% of the measured ad investment for 1979. Products within the line that received the bulk of the advertising dollar were Maybelline mascara ($7,640,800); Maybelline eye make-up ($5,773,100); Maybelline lipstick ($4,416,700), and Maybelline nail color ($2,573,300).

Maybelline remains a dominant No. 1 in the mascara and shadow categories, and moved into the No. 2 position in lip make-ups.

Among products introduced in 1979 in the Maybelline line were, Colors That Cling shadow duos; Lip Color and Cheek Color styler pencils; Kissing Slicks—a wand applied flavored lip gloss, and Brush/Blush II—a duo of brush applied blushes.

The company's position in the United Kingdom cosmetics market was broadened by the acquisition of Rimmel International Ltd. in late 1979. Rimmel manufactures lipstick, eye make-up and nail lacquer—last year sales were $14,000,000.

- The Coppertone line of suncare preparations strengthened its marketing position, backed by more than $4,700,000 in ad spending. In late 1979, For Faces Only—a new product in the Coppertone line—was introduced and advertising was directed to consumers who favor nongreasy, readily absorbed moisturizer that has the benefits of sun protection lotions or oils. Because of its late-in-the-year introduction, only $1,100 was allocated for ad spending with a significant increase expected for 1980.

Sales of Coppertone suncare products overseas continued to advance in major markets. The Tropical Blend line, which was introduced in Greece, Italy and Spain led the over-all performance. Ad spending for Tropical Blend was $1,222,000 last year.

The company's Di-Gel antacid/-antigas tablets was the subject of intensive study and evaluation during 1979. Sales of the product line were about even with the previous year (1978). Ad spending was about the same as in 1978—$5,000,000.

Backed by a $5,200,000 ad budget in 1979, Duration nasal spray continued its growth and became the No. 1 proprietary product in its field. Correctol posted particularly good sales and share-of-market gains with ad backing of $2,500,000.

With the acquisition of Scholl Inc. and Dr. Scholl's foot and leg care products, the company benefited from the normally strong growth trends of those products.

Exercise Sandals broadened its customer profile by introducing fashion into the product. Also, with the national focus on running and jogging, Scholl's introduced in 1979, Runner's Wedge—an athletic arch designed to help the foot function better. Also introduced was Dr. Scholl Sports Cushion insoles which are designed to absorb the shock incurred in running. Both were introduced with an ad backing in excess of $200,000.

- The company also test marketed Fresh Strips, a small adhesive-backed pad containing a fragrance that is released over a period of time and is worn in footwear. Also introduced was Feet Treat—a sponge-like, two-sided buffing pad, designed to eliminate hardened or dead skin. Ad spending for the Scholl's line was about $1,300,000. Ad investments in Dr. Scholl's product line approached $3,000,000.

Schering-Plough's U.S. home products business in 1979 recorded a sales increase, but profits declined. The company attributed the decline to higher costs for raw materials and packaging.

Sales gains reflected the addition of Arno specialty adhesive tapes acquired in the merger with Scholl as well as strong advances by DAP caulking compounds and Derusto specialty paints.

Sales were particularly strong for DAP acrylic latex caulk, which posted a 25% advance and increased its share of market over 1978.

The home products group introduced several new products during 1979, including a complete line of furniture care and refinishing materials under the DAP label. Total ad spending for the DAP line of products was $765,400.

The company's ethical pharmaceuticals business in the U.S. grew by about 10% (internationally 13%)—principally reflecting price increases and sales of several major new prescription entities.

- In the antibiotics area, Garamycin maintained its sales level and continued to hold its No. 1 position among aminoglycosides. Sales in 1979 were aided by the introduction of new multivial packaging and a larger singledose delivery form for use by hospitals, the product's principal customer group. To help meet anticipated intensified price competition when the Garamycin patent expires (1980), a deferred discount program for hospitals was instituted late in 1979, enabling hospitals to achieve substantial savings by purchasing the product over a 12 to 18-month term.

The company's line of over-the-counter products continued to expand in 1979 and constitutes an increasingly significant segment of the pharmaceutical business.

A special field sales force was established to expand distribution in large-volume retail outlets and to improve market share leadership. The company also sponsored a nationwide survey aimed at improving the services and performance of local pharmacies to meet changing customer needs.

Afrin recorded increased sales despite a relatively low incidence of respiratory ailments early in 1979 and continues to be the leading topical nasal decongestant in the over-the-counter line.

The mild cough/cold season, in conjunction with new competition in the field, resulted in somewhat lower sales of the Coricidin line of products in 1979. The line was expanded later in 1979 with the introduction of Extra Strength Coricidin sinus headache remedy tablets.

Our label tells you this beer is a classic.
One look, one sip, one more will tell you why.
Taste the moment

"Taste the moment" is the ad theme for Schlitz' superpremium Erlanger.

- The Chlor-Trimeton line of allergy medications posted sales gains and maintained its number one ranking in its market.

By year-end, the company announced plans for the introduction of Dermolate, a topical over-the-counter hydrocortisone product. The product is designed for treatment of a number of skin maladies.

The Emko line of contraceptive foams and personal hygiene products, acquired in 1978, was integrated into the over-the-counter sales and distribution system in the first half of 1979.

On the international pharmaceutical scene, 1979 was marked with the acquisition of two pharmaceutical companies—Unifa, S.A. and Kirby Pharmaceuticals Ltd. Unifa is an Argentine company and the acquisition raises the company's position to fifth place in that market.

Kirby, a British manufacturer of injectable and ophthalmic drugs, is expected to provide Schering-Plough with a strong base from which to launch new products.

In 1979, the company began to lay the groundwork for the introduction in 1980 of Netromycin to a number of European markets. To aid in the introduction, an information program was prepared to emphasize the activity of the product against resistant organisms, as well as a three-to-five-fold safety margin over comparable products in animal studies. Also, the material is expected to stress that 3,000 patients have been treated with Netromycin without encountering a single case of deafness or kidney failure.

- Capital expansion includes construction on a $59,000,000 steroid/-antibiotic production complex at the Manati, P.R., manufacturing site to provide needed capacity to accommodate expanding business in the steroid field and to meet projected worldwide sales of Netromycin.

At Kenilworth, N.J., a $13,000,000 fully automated storage and retrieval warehouse for pharmaceutical products is expected to provide significantly greater operating efficiencies.

The U.S. animal health business was strengthened by a major acquisition during 1979. In addition to new sales of swine vaccines and pharmaceuticals acquired in the purchase of Burns-Biotec, the Gentocin line of antibiotics for veterinary use and Garasol—an antibiotic for poultry—continued to expand their market shares as did the equine analgesic Banamine. The company now holds second place in the domestic market for packaged animal health products.

Plough Broadcasting Co. capitalized on expanded fm radio listenership in 1979. Revenues from the company's fm stations—about half of total sales—reflect the audience shift from am to fm stations.

The sale of stations WACQ (am) and WTTK (fm) in Boston, initiated in 1978, was completed in the second quarter of 1979.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$138,300	$281,800
Magazines	10,752,100	9,523,100
Farm publications	235,300	264,400
Spot tv	8,363,000	8,146,700
Network tv	33,891,400	28,488,300
Spot radio	—	1,316,100
Network radio	5,439,300	2,953,200
Outdoor	1,903,600	1,683,000
Total measured	60,723,000	52,656,600
Unmeasured	18,000,000	15,343,400
Total	78,723,000	68,000,000

PLOUGH ADVERTISING

Lake-Spiro-Shurman Advertising Agency

H.K. McIntyre, president
Arron Spiro Jr., exec vp
Gene Camerik, vp-spot broadcast
Ted Kingsford, vp-mktg services
Lynn Sanders, vp-print media
Ken West, mgr, calendar
William W. Apperson, director, graphic services
Leita Thompson, mgr, broadcast operations
Mildred Ross, mgr, print production

PLOUGH PRODUCTS

MARKETING PERSONNEL

Harry B. Solmson III, president, genl mgr
Richard Briscoe, senior vp-mktg and adv
Russell Elliot, vp-advertising
Pat McGhee, Jim Roudebush and Jerry Simmons, mkt directors
Roger Corby, Frank Suddoth, Joe Edmondson, Bill Stratton, Nancy Mingo, group product mgrs
Joan Tonning, Alan Beychok, JoAnne Brown, Ron Kroto, Ernie Hilliard, Mike Ward, June Davidson, Carol Wilson, product mgrs
Frank Craig, director, out-of-home advertising

Sales

Don Ramier, vp-sales
Charlie Naff, senior vp-director of field sales
Dave Wells, vp-sales admin
Bob Baldridge, vp-distribution analysis
Norm Kercher, vp-mktg services
Jim McIntyre, vp-natl accts director
Ken Crites, vp-central area
Steve Kane, vp-north central area
Mike Swider, vp-northeastern area
Ken Benderman, vp-southeastern area
George Todd, vp-western area

MAYBELLINE COSMETICS

MARKETING PERSONNEL

David Brittain, president
Bob Schreiber, vp-adv/media/research
Chris Berry, vp-mktg, eyes/nail products
Gary Mulloy, vp-mktg, face/lip/skincare products
Roz Diaboch, director, product devel, eye/nail products
Judy Spencer, product devel mgr, face/lip/-skincare products
Mike Conner, grp mkt mgr, eye prods
Cathy Wills, mkt mgr, shadows
Sheila Rose, mkt mgr, mascara
Ken Redd, mkt mgr, pencil prods
Alex Klein, mkt mgr, nail prods
John Conte, group mkt mgr, face/lip prods
Eddie Edgar, mkt mgr, lip gloss/make-up
Ken Goff, mkt mgr, lip color/blush
Roger Lewis, group mkt mgr, moisture whip
Debbi Nellson, mkt mgr, moisture whip
Susan Crow, asst product devel mgr, eye/nail prods

DAP INC.

MARKETING PERSONNEL

Paul Davis, president
Richard Momsen, exec vp
John Harper, vp-adv & pr

ADVERTISING AGENCIES

N W Ayer, Chicago, Scholl prods.

Stern Walters/Earle Ludgin, Chicago, Scholl's prods.

Lake-Spiro-Shurman, Memphis—all Plough and Maybelline media placement in the U.S.

Griswold-Eshleman, Cincinnati—DAP home prods div.—Norman E. Van Zant, acct super.

Warwick, Welsh & Miller, New York—Di-Gel, St Joseph prods, Feen-a-Mint, Duration, Sardo, Artra, Sulfer-8 line, Black & White line, Coppertone prods, QT prods, Correctol laxative, Mexsana medicated powder, Aspergum, Sudden Tan.

Ted Bates & Co., New York—Maybelline eye cosmetics and nail enamel.

The Marschalk Co., New York—Maybelline facial cosmetics.

Foote, Cone & Belding, New York—Solarcaine, Aftate, Tropical Blend and others.

Chapman, Troast & Warwick, Sacramento, Cal.—Sun Ger.

SCHERING LABORATORIES
SCHERING DIVISION

MARKETING PERSONNEL

Robert Hanson, vp-genl mgr
H. Steven Schneider, vp-mktg
G.F.T. Grimaldi, vp-sales
Mitchell Chadrjian, staff vp professional services
Robert Rauf, director, adv/sales promo
James Mongiardo, director, otc prods
Harvey Weintraub, director, Rx products
Arnold Burstein, director, mktg services
Daniel Tousman, director, business devel

ADVERTISING AGENCIES

Medicus Communications, subsidiary of Benton & Bowles, New York—prescription products & professional promo of otc products—Lawrence J. Lesser, president; Jay Cohen, senior vp-client services; Raleigh Hanbury, vp; Jerry Mars, Paul Schneider, acct execs.

Wesson & Warhaftig, New York—prescription prods—Howard Wesson, president & ceo; Donald P. O'Neill, senior vp-director of client services; Robert Beckman, acct super, Steve Spittel, acct exec.

Ketchum, MacLeod & Grove, New York—trade promo, all otc products—Hank Wasiak, president; Walter Kaprielian, exec vp-genl mgr; Paul Abrams, senior vp-acct mgr; Mike Bablons, acct super.

Jos. Schlitz Brewing Co.

	1979	1978
Sales	$894,156,000	$910,841,000*
Earnings	(50,645,000)	11,961,000
Advertising*	71,551,000	58,213,000

(Loss)

***This represents net sales for 1978, restated from last year's total of $1,083,272,000, which indicated consolidated sales.**

Jos. Schlitz Brewing Co., the 62nd largest national advertiser and third largest brewer, increased its ad spending 23% to $71,551,000 in an attempt to keep pace with a hot battle for the taste buds of America's beer drinkers in 1979.

But the expenditure did little to halt a sales and barrelage drop for the third straight year and a hefty net loss, the biggest ever recorded in the beer industry. Shipments declined 14% to 16,804,000 bbls., a 33% falloff since 1976. Sales dropped 18% to $894,156,000, about 26% under the 1976 peak.

And the company lost $50,645,000, most of that—$39,500,000—coming as an after tax loss related to the sale of its Syracuse, N.Y., brewery to Anheuser-Busch. That, plus another after-tax provision for losses on equipment not placed into service because of unused capacity left the company with an operating loss of $7,698,000.

- The dismal results prompted a major marketing shake-up and management reorganization. Allin Proudfoot, who came to Schlitz from Coca-Cola in 1978 as senior vp-marketing, was replaced in February, 1980, by Robert Rechholtz, who had been vp-brand management.

Then Schlitz again reached into the executive club at Coca-Cola for its new president, Jerome Vielehr, who had been president of Coca-Cola Trading Co. He replaced Frank Sellinger who was moved up to the new position of vice-chairman-ceo, the latter suffix coming from Daniel McKeithan Jr., who remains as chairman.

But even while those changes were being announced, the company appeared to be doing much better, at least on the bottom line. In the first half of 1980, total shipments plunged 14.4% to 7,824,000 bbls., while sales declined only a fraction to $462,800,000. But after five straight quarters of red ink, the company returned to the black, earning $18,100,000 in the first quarter.

At the heart of the company's problems is the flagship premium brand, Schlitz, which accounts for about 60% of the total sales volume, but which has been fighting an uphill battle to win back the loyalty of former Schlitz drinkers lost with a patch of bad brew and to woo a flock of new beer drinkers. The brew was reformulated about three years ago, after Mr. Sellinger, a brewmaster, assumed the presidency, and the new formula consistently does well in blind taste tests, but the Schlitz name is still tarnished in the eyes of the beer drinker.

Schlitz' 1979 ad campaign—"beer makes it good; Schlitz makes it great"—apparently failed to spark any interest in the brand, and was replaced later in the year by a new campaign: "Go for it!" The action-oriented campaign earlier this year was amended with the resurrection of the word, "Gusto." The company last year spent $25,466,000 in measured media on the Schlitz brand, up from $22,812,900 in 1978. The lion's share of that, $21,347,700, was invested in network tv.

▪ This spring, the company began to make some moves to convince consumers that Schlitz was worth trying. Two commercials were produced and run nationally, featuring Mr. Sellinger giving testimony as to the brew's quality. One was used nationally, the other in test markets. There were also indications the company was revamping its media strategy by shifting most of its network dollars into spot tv buys to reinforce prime markets.

A continuing disappointment for the company was Schlitz Light, a low-calorie beer that is still being offered alongside regular Schlitz in many stores, but is no longer receiving advertising support. The company invested $6,623,000 in the brand last year, down from $8,027,200.

While Schlitz executives maintained they would not pull Schlitz Light from the market, many observers expected just that when it announced the test market introduction of Tribute Light this spring in four cities. A campaign, developed by Benton & Bowles, New York, asks the consumer to "Pay yourself a Tribute."

▪ A definite cause for optimism was the successful national rollout of the company's superpremium entry, Erlanger, a full body brew that is probably the closest thing in taste to a European beer of any brand made in the U.S. A campaign, developed by J. Walter Thompson Co., Chicago (also the Schlitz brand agency), begs viewers and listeners to "taste the moment." Wholesalers report strong sales on the brew, with one calling it "the best-received new beer in my 25 years in the business." Last year's test market measured media spending totaled $3,015,700 on the brand.

Meanwhile, the company's other two brands, Schlitz Malt Liquor and popular-priced Old Milwaukee, showed improved sales in 1979. Continuing its "Schlitz Malt Liquor Bull" theme via B&B, Schlitz pumped $7,404,500 into national media, up from $5,825,700 in 1978.

And although the popular-priced segment declined over-all in the industry, Old Milwaukee surged ahead with the help of the theme: "Old Milwaukee tastes as great as its name," via BBDO. Measured media spending for the brew increased to $5,176,700 from $3,639,100.

Likely to give Old Milwaukee another boost this year is a deal signed in the spring between the brewer and the Taiwan Tobacco and Wine Monopoly Bureau for the shipping to the Republic of China of up to 3,500,000 cases in 1980.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$ 1,476,100	$ 664,900
Magazines	901,600	73,900
Spot tv	15,291,200	8,387,100
Network tv	31,428,900	32,235,700
Spot radio	4,327,400	3,315,000
Outdoor	684,900	66,500
Total measured	54,110,100	44,743,100
Unmeasured	17,440,900	13,469.900
Estimated total	71,551,000	58,213,000

MARKETING PERSONNEL

Robert A. Rechholtz, senior vp-mktg
Joseph A. Ciszewski, mgr brand admin
Robert Conners, group director, mktg services
William C. Graham, group director, mktg
James R. Remitz, group director, mktg
Timothy J. Donohue, director mktg admin
Gary M. Truitt, Schlitz Malt Liquor brand director
Lee Walther Kordus, mgr brand devel
Thomas H. Schwalm, Old Milwaukee/Primo brand director
Thomas C. Godwin, mgr brand devel
John W. Watson, Erlanger brand director
Wayne R. Casper, director mktg rsch
William J. Henke, director of media
James E. Poor, mgr merch and sales promo
Robert C. Lampertius, mgr packaging and design
Thomas A. Siefkes, director market devel

ADVERTISING AGENCIES

J. Walter Thompson Co., Chicago—Schlitz—Ben Gilmore, vp-mgmt super; Mark Polan, acct super; Erlanger—Jeff White, vp-mgmt super; Bill McCann, acct super.

Benton & Bowles, New York—Schlitz Malt Liquor—John Fenton, senior vp-mgmt super; Ron Campbell, acct super; Tribute Light—John Fenton, senior vp-mgmt super; Dave Pyle, acct super.

BBDO, New York—Old Milwaukee—John Dunning, vp-mgmt super; Macy Jones, acct super.

Scott Paper Co.

	1979	1978
Sales	$1,908,107,000	$1,724,897,000
Earnings	137,000,000	93,560,000
Advertising	36,834,000	33,274,000

Scott Paper Co., Philadelphia, the 94th largest national advertiser, increased its advertising 11% in 1979 to almost $37,000,000.

Sales during the year rose by about 13% to $1,908,107,000, while earnings increased by about 46%, continuing a strong reversal of a 15% earnings decline sustained in 1977. Scott attributed the gain in earnings to increased sales volume, competitive selling prices and growth of the company's international operations.

The company, No. 6 of the 14 largest paper companies in the U.S., had a 9% share of the total paper market in 1979. It holds about 30% of the paper towel market, 28% of the toilet tissue market, 16% of the facial tissue market and 30% of the table napkin market.

▪ The package products division accounted for sales of $1.5 billion, approximately 69% of the Scott total and about $152,762,000 more than in 1978.

Major advertised brands were Viva paper towels, with $6,183,000 in measured media support; Cottonelle bathroom tissue, with $6,051,600; Job Squad paper towels, with $4,029,000; ScotTowels, with $3,291,100; Soft 'n' Pretty bathroom tissue, with $2,451,500, and ScotTissue toilet tissue, with $1,595,500. The bulk of these expenditures went to spot and network television advertising.

Both Cottonelle and Soft 'n' Pretty increased their market shares during the year. Cottonelle, introduced to the Northeast in 1978, continued its rollout into additional areas of the country.

Prices on two other products, Waldorf bathroom tissue and ScotTowels, were reduced relative to other brands during 1979 as competition with Procter & Gamble quickened.

Among new products, Dura Wipers and Footman disposable mats, both handled by J. Walter Thompson Co., were introduced in Fort Wayne, Ind. And other ventures, including Viva, Baby Fresh

KNOW THY COMPETITION

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LNA

MARKETING PROFILES

baby wipes and WypALL, led the Scott roster of new products in sales performance. WypALL, an industrial wiper, contributed heavily to the growth of the division's commercial products group.

ScotTissue and Scott family napkins were also named as products accounting for a large part of the division's sales. W.B. Doner & Co., Baltimore, was added to Scott's roster of agencies to handle new product developments.

▪ The company, meanwhile, made the largest coupon drop in its history to celebrate its 100th birthday in 1979. A total of 183,000,000 coupons for paper goods, including ScotTowels, Scotties, ScotTissue, Waldorf and Viva, were circulated via newspaper advertising. The drop was handled by Scottcom, an in-house agency.

JWT's commercial for ScotTissue sparked some minor controversy over its clarity. "The other leading tissue rolls out to stop at 500 sheets, but Scott rolls out 28% longer," the spot proclaimed. "It stops at 1,000 sheets." Presumably, enough viewers concluded that the competing sheets were not of equal length, since the spot continues to be aired.

The S.D. Warren printing paper division, Scott's second largest unit, had sales of $492,000,000, up 17%, while earnings rose 36%. Improvements were made on existing brands, specifically Patina, Lustro and Warrenflo. The division also upgraded several of its paper machines, while its position in graphic arts products was strengthened as demand for pressure-sensitive materials grew by more than 20% in 1979.

▪ A new subsidiary, Scott Paper International, was formed in 1979 to own or assume management responsibility for most of Scott's international operations. It counts eighteen affiliates in Latin America, Europe, the Far East, Australia and Canada.

Scott's share of affiliate earnings in 1979 rose 34% to a record $44,000,000. The company will continue to function as a partner and 49% to 50% investor in international operations, with local partners owning the remaining interests.

Last year, the company saw a new affiliate established in Korea and new paper machines installed in Colombia and Costa Rica. Sanitary napkins were introduced in Australia, and disposable hospital products were launched in Canada, as Scott began joint ventures with a Swedish company under the name of Sancella Ltd.

▪ The Brown Jordan division increased sales by 26%; income from operations, however, increased a modest 6% after absorbing startup costs for a new metal and rattan furniture plant in Suffolk, Va.

Expansion of the division's American Lantern plant in Arkansas began during the year. The expanded facility, along with the recently acquired Eagle Mfg. Co., is expected to enhance Brown Jordan's position in the growing residential lighting fixtures market.

Sales of the foam division increased 6% in response to continued demand from the carpet cushion industry. Income from operations decreased 16%, apparently because of a decline in sales of higher-margin products, including foams used in the automotive industry.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$2,241,800	$2,583,600
Magazines	1,934,700	684,500
Spot tv	16,474,400	17,845,300
Network tv	7,788,600	4,785,800
Spot radio	336,300	429,200
Outdoor	23,600	131,200
Total measured	28,799,400	26,459,600
Unmeasured	8,034,600	6,814,400
Estimated total	36,834,000	33,274,000

PACKAGED PRODUCTS DIVISION
Philadelphia
MARKETING PERSONNEL

J.R. Leaman Jr., senior vp
D.T. Carey, vp-consumer mktg & devel
C.H. Bridges, div vp-consumer prods sales
J.E. Calvert, vp-commercial prods
G.E. Wilcox, div vp-sales devel
R.H. Sterrett, div vp, sales-east
D.B. Cavellier, div vp, sales-central
L.B. Griffith, div vp, sales-south
T.H. Redfield, div vp, sales-west

S.D. WARREN DIVISION
Boston
MARKETING PERSONNEL

C.W. Schmidt, president
R.W. McAvoy, vp-sales & mktg
J.H. Frick Jr., vp-printing & publishing div
J.W. Hefferman, vp-converting div
B.E. Barnes, vp-specialties div

BROWN-JORDAN DIVISION
El Monte, Cal.
MARKETING PERSONNEL

F.W. Schoditsch, president & ceo

FOAM DIVISION
Eddystone, Pa.
MARKETING PERSONNEL

R.E. Welsh, div vp
R.B. Kraus, natl sales & mktg mgr
R.A. Padula, senior mktg mgr
A.K. Simpson, natl sales mgr

ADVERTISING AGENCIES

J. Walter Thompson Co., New York—ScotTowels, ScotTissues, Baby Fresh Wipes, Job Squad—John Morrissey, group acct director; Martin Rose, mgmt super.

BBDO, New York—Viva towels, Cottonelle, Soft 'n' Pretty—W.G. Weigold, senior vp.

Mark Myers & Associates, Boston—Scott printing and converting papers—Christine Flouton, acct coordinator; Mark Myers, creative director.

Humphrey Browning MacDougall, Boston—S.D. Warren Co. printing, publishing and release papers—Damon Carter, acct super.

Brown, Keefe, Marine-Bowes, Los Angeles—Brown Jordan Co., Warren graphics specialties—James Keefe, acct super; Robert Greig, acct exec.

Aitkin-Kynett, Philadelphia—industrial foams—H.R. Blynn, vp.

Schaefer Advertising, Valley Forge, Pa.—commercial package paper products—Dennis Connaughton, acct exec (washroom towels, tissues); Tom O'Neill, acct exec (industrial wipers); Janice Manzi, acct exec (pr).

W.B. Doner & Co., Baltimore—new product devel—Bill MacFarland, acct super; David Sackey, mgmt super.

Seagram Co. Ltd.

	1979	1978
Sales†	$2,554,096,000	$2,272,584,000
Earnings†	107,263,000	93,029,000
Advertising*	168,000,000	120,000,000

†Worldwide; 1979 fiscal year ended July 31, 1979
***Estimated by AA**

Joseph E. Seagram & Sons, New York, subsidiary of the Seagram Co. Ltd., Montreal and the 19th largest national advertiser, spent $168,000,000 on advertising in 1979, up about 40% over 1978.

Worldwide sales for Seagram Co. Ltd. in 1979 rose 12.4% over the previous year, and income before foreign exchange fluctuations and related tax effects was up 15.3%.

Operating income for the spirits and wine division increased 20% to $228,697,000 in 1979 from $189,985,000 the previous year. Oil and gas operating income showed a 12.6% increase to $62,933,000 in 1979 from $55,908,000 a year earlier.

The year 1979 saw continued hefty advertising spending at Seagram, in keeping with the heavy promotional support policy the company adopted in 1978. Measured media spending in 1979 was $120,890,700, up 42% from $85,188,900 in 1978, according to Leading National Advertisers. Total measured spending (including newspapers) reached $130,228,400 in 1979, up 44.4% from $90,077,000 in 1978.

The heavy spending, however, could not keep Seagram's 7 Crown whisky at the top of *Business Week's* annual ranking of the nation's leading liquor brands. For the first time in the 18 years that *Business Week* has offered rankings, Seagram 7 Crown dropped from first to third place behind Bacardi rum and Heublein's Smirnoff vodka. The drop reflects the nation's shift from stronger liquors to lighter drinks and wines.

Recognition of this trend led Seagram to promote its own Paul Masson wines heavily and to introduce a vodka-like competitor called Von Konig Silbervasser, a clear grain spirit.

Seagram spent $16,930,600 in measured media on Paul Masson wines in 1979, with $14,332,800 in network tv and the rest in spot tv. The ads starred massive actor Orson Welles declaiming, "We shall serve no wine before its time." In contrast, the company had spent only $6,220,600 on Masson wines in 1978.

▪ The introduction of Von Konig Silbervasser began last September and was handled by Seagram's General Wine & Spirits division. Ads for the product by North Castle Partners said it "makes you forget vodka."

A month later, in October, Seagram signed an agreement to purchase the Gold Seal Vineyards, Hammondsport, N.Y. The company makes the "signature" Charles Fournier wines, Gold Seal table wines and Henri Marchant champagnes and table wines. Michael P.H. Cliff, president of the Gold Seal Wine Co., the marketing company for Gold Seal Vineyards, was given the additional responsibilities of president of the vineyard and wine-making operations in Hammondsport.

Also notable in 1979 was Seagram's decision to sell the company-owned Seagram Bldg. at 375 Park Ave., a modern landmark famous for its severe, clean Mies Van der Rohe design. Seagram sold the 38-story tower for $85,500,000 to Teachers Insurance & Annuity Assn., but leased its present 150,000 sq. ft. of office space in the building for the next 15 years, with options to renew for three additional 10-year periods.

As noted, Seagram's 7 Crown whisky dropped to the No. 3 spot on *Business Week's* annual liquor brands survey. The brand sold 6,100,000 cases, down 1.6% from 6,200,000 a year earlier. Seagram's 7 was backed by $8,406,200 in magazines, $1,269,600 in newspaper supplements and $78,600 in outdoor. An additional $2,078,500 in measured spending on the brand went to a refund offer and a copromotion with 7UP soft drink.

Seagram's V.O. Canadian whisky held onto its No. 4 position, although its case sales slipped 1.4% to 3,825,000 in 1979 from 3,875,000 the previous year. Seagram's V.O. ad totals: $13,123,600 in magazines, $286,800 in newspaper supplements and $1,492,800 in outdoor.

Seagram's gin moved to the No. 8 slot on the *BW* list, up from No. 10 a year ago. Seagram's gin sold 2,600,000 cases, up 10.6% from 2,350,000. Ad spending for the company's name brand gin included $3,101,400 in magazines, plus $1,244,900 for a joint Seagram's gin and Schweppes tonic water magazine effort.

Kessler whisky dropped to No. 22 among all brands in 1979, having placed 19th in 1978 and 16th in 1977. It sold 1,625,000 cases in 1979, compared with 1,725,000 in 1978, a 5.8% decline. Kessler ad spending included $1,058,500 in magazines and $1,779,400 in outdoor.

▪ Additional Seagram brands on the *BW* list were No. 27, Calvert Extra blended whisky, 1,375,000 cases, down 6.8%; No. 33, Wolfschmidt vodka, 1,050,000 cases, down 10.6%; No. 37, Lord Calvert Canadian whisky, 975,000 cases, down 2.5%; No. 39, Crown Russe vodka, 800,000 cases, down 8.6%; No. 44, Ronrico rum, 700,000 cases, up 3.7%; No. 48, Crown Royal Canadian whisky, 650,000 cases, up 18.2%; No. 59, Nikolai vodka, 525,000 cases, down 4.5%, and Passport scotch, 500,000 cases, no gain or loss.

Chivas Regal, Seagram's premium scotch brand, ranked No. 32 on the *BW* list with case sales of 1,100,000, up 4.8% from 1,050,000 in 1978. Seagram backed the brand with $7,172,000 in measured spending, up 19% from $6,012,800.

The following Seagram brands were backed by more than $1,000,000 in measured ad support: Calvert dry gin, $3,316,200; Christian Brothers brandy, $2,355,200; Christian Brothers wines, $1,353,700; Glenlivet scotch whisky, $2,597,200; Jameson Irish whisky, $1,477,000; Leroux cordials and liqueurs, $2,343,100; Lord Calvert Canadian whisky, $9,117,000; Mumms Champagne, $1,073,200; Myer's Jamaican rum, $2,187,900; Passport scotch whisky, $4,334,600; Ronrico Puerto Rican rum, $4,578,000; Seagram's Benchmark bourbon, $1,804,800; Seagram's Crown Royal whisky, $6,018,900; Sir Robert Burnett's gin, $1,615,700, and Wolfschmidt vodka $6,467,000.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$16,820,800	$8,031,600
Magazines	84,877,100	69,160,400
Spot tv	6,161,200	3,640,900
Network tv	14,332,800	3,464,100
Spot radio	6,200	135,500
Outdoor	8,030,300	5,644,500
Total measured	130,228,400	90,077,000
Unmeasured	37,771,600	29,923,000
Estimated total	168,000,000	120,000,000

JOS. E. SEAGRAM & SONS
New York
MARKETING PERSONNEL

Philip E. Beekman, president

HOUSE OF SEAGRAM
New York
MARKETING PERSONNEL

William M. Wilbur, president
Lionel W. Greer, exec vp-sales
John Minor, vp-mktg
Paul J. Tillotson, vp-director of mktg, corporate new products group
Joel Boyarski, director of planning administration
Robert W. Beller, vp-mktg services
Bernard Stolbof, director-corporate media services
Andrew C. Zipprich, operations mgr-media
Duncan Maurer, group media mgr
Lawrence J. Weiss, vp-natl acct sales

SEAGRAM-DISTILLERS CO.
New York
MARKETING PERSONNEL

Walter Haimann, president
C. Richard Coffey, exec vp-sales
Joel D. Weiner, exec vp-mktg
Victor Samaha, vp-director of administration
Bernard Derringer, vp-mktg services
Thomas K. McInerney, vp-director of mktg
Arthur Gertz, Alfred C. Lubin, natl sales promo mgrs
Connie Wiener, natl adv mgr
Joe A. Buckhalter, mgr of military sales/7 Crown sports program
Daniel O'Sullivan, director of sales services
Monte Monserrate, natl accts mgr
Charles Garver, mktg communications mgr
James Schiro, natl operations mgr
Albert F. Sprung, director of mktg analysis
Georgette E. Fabiny, mgr of mktg analysis
Ivan Gare, mgr of pricing policy
Don Keeton, director of sales training
Carl Horton, natl product mgr, Seagram's V.O.
Vincent Partridge, natl product mgr, Seagram's 7 Crown
Andrew Harman, natl product mgr, Seagram's Gin
Richard McCarthy, natl product mgr, Crown Royal
Michael Gianakos, natl product mgr, The Glenlivet scotch
Bernadette Moran, natl product mgr, Wolfschmidt vodka
Linda Rink, natl product mgr, Famous Grouse scotch
John Reese, natl product mgr, Benchmark bourbon
Jerold P. West, natl product mgr, Myers' rum

ADVERTISING AGENCIES

Warwick, Welsh & Miller, New York—Seagram's 7 Crown, Crown Royal, Seagram's V.O., Seagram's Extra Dry gin, Benchmark bourbon, The Glenlivet scotch, Famous Grouse scotch, Seagram's institutional advertising—John F. Welsh, mgmt super; James Driscoll, senior vp-mktg & adv planning; Michael Graham, Howard Hersh, Kenneth Sammon, William Surtees, Leigh Schmalz, acct supers; Leon Hanson, Gary Olsen, acct execs.

William Esty Co., New York—Wolfschmidt vodka, Myers' rum—Len Faupel, senior vp-acct super; Stan Joyce, acct super; Richard Rack, Ed Rosenthal, acct execs.

CALVERT DISTILLERS CO.
New York
MARKETING PERSONNEL

Marty H. Bart, president
Sheldon Katz, exec vp-sales
Jay Morris, exec vp-mktg
Richard Bond, vp-mkt planning
Jules Erwin, mktg communications mgr
David Newman, Robert Monroe, vps-directors of mktg
James Spillane, asst to the president
David L. Grossman, director of mktg analysis
Russell Capone, mgr of mktg analysis
Stephen Altman, mgr-pricing policy
J. Barry O'Neil, budget mgr
Harold P. Prigge, Marvin Steinhardt, natl sales promo mgrs
Fred Ronai, natl product mgr, Calvert Extra
Dennis Brophy, natl product mgr, Calvert gin, Crown Russe vodka
James Gallagher, natl product mgr, Lord Calvert Canadian
Sam Ellias, natl product mgr, new product projects
Martin Atlas, natl product mgr, Jameson Irish whisky
Roger DeSarno, natl product mgr, Kessler whisky, White Horse scotch
James Perkins, natl product mgr, Henry McKenna bourbon, Burnett's gin
Michele Plotkin, natl product mgr, Tuaca liqueur
Greg Smith, natl product mgr, Passport scotch

ADVERTISING AGENCIES

Doyle Dan Bernbach, New York—Calvert Extra, Lord Calvert Canadian, Calvert gin, Crown Russe vodka, Passport scotch, Henry McKenna bourbon, Jameson Irish whisky, Party Tyme products—Martin Kreston, group senior vp; Stephen Donenfeld, vp-mgmt super; Stanley Burger, Charles Rollins, vp-acct supers; John Campbell, acct super; Jefferey Ehrhardt, Jonathan Whittemore, acct execs.

William Esty Co., New York—White Horse scotch, Burnett's gin, Logan Deluxe scotch—Leonard Faupel, senior vp-mgmt super; Carlo Demetrio, vp-acct super; Patricia Oehler, acct exec.

Warwick, Welsh & Miller, New York—Kessler whisky and Tuaca liqueur—John F. Welsh, vice-chairman; James Driscoll, senior vp-mgmt super; Joseph Friel Jr., vp-acct super; Howard Hersh, Gary Olson, Leo Spellman, acct execs.

North Castle Partners, Greenwich, Conn.—new product projects—Len Ferraguzzi, senior vp-acct director-mgmt super; Peter Wilkins, acct super.

GENERAL WINE & SPIRITS CO.
New York
MARKETING PERSONNEL

Seymour L. Leikind, president
Gerald N. Friedman, exec vp-sales
Gil Schy, exec vp-mktg
Robert Vosswinkel, vp-administration
Mac Taub, Mark Taxel, vps-directors of mktg
Stephen LaScala, mktg budget mgr
Robert Dow, Arthur Kayser, group sales promotion mgrs
Daniel J. Noonan, natl accts mgr
Andy Panagis, natl operations mgr
Robert Regulinski, mgr-mktg analysis
G. Shofner, assistant mgr-mktg analysis
Stephen Bellini, mgr-pricing policy
Frank Walters-budget mgr
Robert Watkins, natl product mgr, Chivas Regal scotch, Royal Salute scotch
Robert L. Hinton, natl product mgr, Boodles gin
Richard Shaw, natl product mgr, Ronrico rum
Tony Bongiovanni, natl product mgr, Nikolai vodka, Eagle Rare bourbon
Edward B. Gillen, natl product mgr, Leroux cordials, Leroux brandy
Barbara Rakov, natl product mgr, Vandermint, Sabra, Cheri-Suisse liqueurs
John Hartry, natl product mgr, Von Konig Silbervasser, Lochan Ora liqueur

ADVERTISING AGENCIES

Doyle Dane Bernbach, New York—Chivas Regal, Royal Salute, Ronrico rum, Lochan Ora liqueur—Martin Kreston, group senior vp; Mike Marshall, vp-mgmt super; Joe Trombino, Herb Jacobs, vp-acct supers; Ann Davies, acct exec.

William Esty Co., New York—Leroux cordials, Leroux brandy—Len Faupel, mgmt super; Carlo Demetrio, acct super; Larry Sanford, acct exec.

North Castle Partners, Greenwich, Conn.—Von Konig Silbervasser—Len Farraguzzi, acct director-mgmt super; Peter Wilkins, acct super.

Warwick, Welsh & Miller, New York—Eagle Rare bourbon, Vandermint, Sabra and Cheri-Suisse liqueurs, Nikolai vodka, and Boodles gin—John Driscoll, senior vp-mktg; Joseph Friel Jr., acct super.

BROWNE VINTNERS CO.
New York
MARKETING PERSONNEL

Stephen E. Herbits, president
Robert O'Dowd, exec vp-sales
Michael Moore, exec vp-mktg
Ed Cohen, vp-finance & admin
Jay Flynn, group product mgr, Black Tower Liebfraumilch, Mumm champagnes
Thomas Beach, group product mgr, Barton & Guestier, Nectarose wines
Frank McCarthy, group product mgr, Italian and Spanish wines

ADVERTISING AGENCIES

Doyle Dane Bernbach, New York—Mumm champagnes, Barton & Guestier French wines, Nectarose French wine, Kijafa Danish wine, Nobella Spanish wine—Martin Kreston, group senior vp; Charles Traynor, vp-acct super; John Ehrhardt, acct exec.

William Esty Co., New York—Ricasoli and Brolio Italian wines, Black Tower Liebfraumilch—Len Faupel, mgmt super; Stan Joyce, acct super; Andrea Stone, Vernon Wright, acct execs.

North Castle Partners, Greenwich, Conn.—Julius Kayser and Glorioso wines—Charles Taney, acct director-mgmt super; Robert Lipscomb, acct super.

CHATEAU & ESTATE WINES CO.
New York

MARKETING PERSONNEL

Abdallah H. Simon, president
Kenneth L. Onish, exec vp-sales
Charles K. Frankel, vp-administration
John W. Laird, director of mktg

ADVERTISING AGENCY

William Esty Co., New York—Chateau de La Chaize, Chateau Larose Trintaudon, Les Charmes white burgundy, Perrier-Jouet champagnes—Leonard Faupel, mgmt super; Carlo Demetrio, acct super; Patricia Oehler, acct exec.

GOLD SEAL WINE CO.

New York

MARKETING PERSONNEL

Michael P.H. Cliff, president
Max Braverman, vp-admin & special sales
Howard Kaufman, vp-sales
John Gronlund, director of mktg
Howard Garfinkel, vp-assistant natl sales mgr

ADVERTISING AGENCY

William Esty Co., New York—Gold Seal and Henri Marchant champagnes and wines—Len Faupel, senior vp-mgmt super; Carlo Demetrio, acct super; Larry Sanford, acct exec.

FROMM & SICHEL

San Francisco

MARKETING PERSONNEL

Mel Chernev, president
Edward Schultz, exec vp-sales
Evan Hirsch, project mgr
Al Nirenstein, senior vp-mktg
Eric Kritz, product mgr

ADVERTISING AGENCY

Botsford Ketchum, San Francisco—Christian Brothers wines and brandies—Eugene Grealish, acct super.

PAUL MASSON VINEYARDS

Saratoga, Cal.

MARKETING PERSONNEL

Elliott A. Fine, president
Edward J. Caan, exec vp-sales
Steve Kauffman, exec vp-mktg
Morris Katz, exec vp-production
Jon Fredrickson, exec vp-planning & admin
Jeffrey Heimbuck, vp-director of mktg
Jan Wells, vp-director of pr
Bernard Ramey, vp-natl sales mgr-Estate wines
Joseph C. Cook, vp-natl accts & chain sales
Ralph P. Sackerman, fiancial director
Michael Kaplan, asst to the president
Paul Smith, natl sales promotion mgr
Bruce Labadie, publicity mgr
John French, mgr of sales admin
Richard Swienton, director of mktg analysis
Dennis Ayde, mgr-pricing policy
Douglas Rohde, budget mgr
Neil Sweeney, director of sales training
Richard Moyer, Mike D'Hoostelaere, product mgrs
Samuel Bronfman, Rusty Ach, asst product mgrs

ADVERTISING AGENCY

Doyle Dane Bernbach, Los Angeles—Paul Masson wines—Jim Hellin, senior vp-mgmt super; Howard Englehart, vp-group acct super.

SUMMIT SALES CO.

New York

MARKETING PERSONNEL

Milton M. Steinberg, president
Thomas M. Collins, vp-admin & planning
Thomas P. Cekay, pricing & budget mgr
Robert C. Zukowski, operations mgr

Sears, Roebuck & Co.

	1979	1978
Sales	$17,514,000,000	$17,946,000,000
Earnings	810,000,000	922,000,000
Advertising	379,312,500	417,934,900

Sears, Roebuck & Co., Chicago, the nation's second largest advertiser in 1978, slipped into third place last year, as ad spending declined 9.2% to $379,312,500, with $276,500,000 or 73% of that spent on catalogs and direct mail. Measured media for Sears and the Allstate Group plummeted 37% to $102,812,500.

AA's estimate does not include local retail advertising in newspapers, which last year increased 4.1% to $330,000,000.

Retail advertising, the catalog investment and national measured media expenditures for Sears and Allstate put the company's total 1979 ad outlay at about $709,312,000, a 3.1% decline from the 1978 total.

In a year marked by sales declines in the first eight months, but a record fourth quarter, the world's largest retailer rang up net sales of $17.5 billion, a 2.4% drop from year earlier totals. Earnings for the year, adversely affected by inflationary pressures and the sales slump, fell 12.1% to $810,000,000.

The Allstate Group, which brought in an additional $5.64 billion in premiums and financial services revenues, produced net profits of $461,000,000, a 1% decline. Nevertheless, Allstate's contribution represented 57% of the company's over-all earnings, up from a 51% share in 1978.

Sales from unconsolidated international operations in Canada, Latin America and Spain rose 4% to $3.02 billion, but Sears' equity in the net income of these operations rose 12% to $47,000,000.

▪ Sears' merchandise sales in 1979 amounted to 89.3% of net sales (down from 90% in 1978 and 91.3% in 1977), including catalog counter sales in stores of 9.9% (down from 10.8% in 1978 and 11.4% in 1977) and other catalog sales of 9.4% (down from 9.5%). Industrial sales, repair services and financial charge revenues represented 10.7% of net sales (up from 10%).

The catalog operations, from which Sears derived almost one fifth of its net sales, includes two large general "wish books" averaging 1,650 pages (spring-summer, fall-winter), three smaller catalogs (Christmas, midwinter, summer); 17 specialty catalogs featuring particular lines of merchandise, and 14 tabloid sales catalogs.

Last year, the company sent out almost 18,000,000 copies of each general catalog, and between 800,000 and 5,000,000 copies of each specialty and sale catalog, for a total of 354,000,000 catalogs, 21,000,000 fewer than the company put out in 1978.

Sears and its domestic subsidiaries employed an average of 424,000 people in 1978, down from 472,000 a year earlier. Its 46 buying departments purchase merchandise from 11,700 domestic suppliers. The largest buying unit is responsible for about 9% of net merchandise sales.

About 28% of the general merchandise is purchased from suppliers in which Sears has equity investments. Companies in which Sears has equity of 20% or more are: DeSoto Inc., Kellwood Co., Roper Corp. and Universal-Rundle Corp.

Sears last year spent $372,000,000 for expansion and improvement of facilities which resulted in the opening of 28 new stores, 11 of them full-line and 15 of them medium size. The company also closed 31 stores, 18 of them medium size. Over-all retailing floor space increased 1.3% to 115,300,000 sq. ft.

Sears' disappointing performance last year was not wholly unexpected. It reflected changes in the company's strategy that were designed to improve profits at the risk of dampening sales. From 1974 until 1978, the company had wandered from high fashion merchandise lines to bargain basement sale merchandising, as it tried to meet the high-end (J.C. Penney) and low-end (K mart) competition it believed threatened its turf. This policy bloated sales but flattened earnings.

So, in 1978, Sears reformulated its long-range marketing strategy in a move to return to its roots. Sears, according to this plan, would be reestablished as "a family store for middle-class, home-owning America"; not one that anticipates, but rather reflects "the world of Middle America."

One of the spokes of this plan was the curtailment of runaway ad budgets. The plan called for an advertising-to-sales ratio of 3.55% for 1978 and 3.29% in 1979, and demanded that the ratio decrease to 3% by 1983.

While ad spending last year dropped, the ratio actually increased to 3.9% because of the decline in sales. The spending cut undoubtedly was partially responsible for the sales decline. Through the first five months of 1979, magazines were almost devoid of Sears advertising. Ad spending in the first quarter dropped 60%, while second-quarter spending fell 10%

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and the third quarter was off 15%.

But in the fourth quarter, Sears tried to make up for lost ground by increasing its national spending about 40% and its local spending about 10%, resulting in an expenditure estimated at about $135,000,000, excluding catalog. Sales in the quarter set new records, rising 3.5% to $5.104 billion. However, a worsening economy, bringing high interest rates and lower margins, caused profits to fall almost 22% in the final quarter.

And the start of the new decade produced only more depressing results for the company. Although merchandising sales climbed 1.4%, the declining economy helped Sears lose $7,000,000 on those sales—the first quarterly merchandising loss since the Great Depression.

Contributing to that result was the confusion created by the federal government's credit restrictions which severely cut into sales of big-ticket home appliances. Although the company did little to change its own credit policies, it found that consumers were confused and it initiated an ad campaign in newspapers to inform consumers that the company would continue to grant credit.

▪ At the company's annual meeting, chairman Edward Telling held out little hope for 1980, citing the effects of a deepening recession. Long-term, however, Mr. Telling saw "promise" stemming from the eventual recovery and a variety of changes in the company's internal structure.

One of those changes was the naming of Edward Brennan to the post of president for the merchandising business, succeeding A. Dean Swift who retired for personal reasons. Mr. Brennan, 46, came up from his most recent position as exec vp for Sears' Southern territory where he built a strong reputation as a field executive and a creative merchant.

▪ Another major change was the restructuring of the company's activities last February into three distinct business groups—merchandising, Allstate and Seraco, the last of which includes extensive real estate development and related financial services. Seraco is comprised of: Homart Development Co., Allstate Savings and Loan Assn., PMI Mortgage Corp., PMI Mortgage Insurance Corp., Allstate Enterprises Mortgage Corp. and Executrans Inc. (relocation service).

Homart, which owns 17 shopping centers around the country, last March began a project to develop more effective ways to market the centers. At the same time, the unit entered the publishing business. The unit began publishing an every-other-monthly called *Current Shopping*, a fashion magazine tailored to the local centers. Circulation—either through newspaper supplements or direct mail—was set at 1,400,000. The magazine, which carries paid advertising from individual stores in the respective centers, was conceived as a "break-even proposition," but if it is successful in increasing center traffic, the company intends to produce publications for other shopping center marketers.

▪ On another new business front, Sears last winter created some excitement when it announced it was looking into a possible joint venture with Communications Satellite Corp., Washington, to establish a satellite-to-home subscription tv service. But the plan was scuttled a few months later when Sears decided it didn't want an equity position in the estimated $1 billion venture. The reason, according to a high-level executive, was that the company didn't want to invest in a proposal so fraught with risks, one of which was the uncertainty and continued dependence on government approval. Sears, now, however, says it is willing to provide a sales and service function for such a system, while Comsat says it is still looking for a partner.

▪ And in another high technology area, Sears began exploring the possibility of creating a video catalog network so cable tv subscribers could order merchandise off the tv screen. Development talks are continuing with Warner-Amex Cable Communications, New York, and various experiments are expected to continue with Warner's Qube interactive cable system in Columbus, O. The main obstacle to setting up a national catalog network is the unavailability of low-cost transmitting equipment which would enable the home viewer to place his order by sending the message back up on the satellite so it could be filled in some central clearing house, according to one Sears executive.

Sears, long the biggest retail advertiser, entered the national ad arena 23 years ago via modest magazine spending. In fact, until 1967, the largest chunk of the Sears national ad budget was spent by Allstate, which last year accounted for almost $19,000,000, or 19% of the company's measured media total.

Including Allstate, Sears last year sliced magazine spending 75% to $13,819,600, reflecting a magazine ad hiatus in the first half. The other measured media totals were: Network tv down 8% to $65,976,300; spot tv down 19% to $17,053,500; network radio up 24% to $5,434,300; and spot radio down 97% to $308,000.

▪ The network radio increase represents the company's investment in the Sears Radio Theater, a project with CBS Radio begun in February, 1979, but from which the company withdrew earlier this year. The radio theater series is now carried by Mutual Radio and Sears is but one of several sponsors.

Among the most heavily backed product lines, according to LNA figures, were automotive accessories, $7,811,300; Craftsman tools, $4,252,700; men's apparel, $4,046,600; children's apparel, $3,856,500; custom services, $3,413,400; furniture, $3,262,900, and batteries, $3,203,700. In addition, there were 11 product categories in which Sears spent between $1,000,000 and $3,000,000 in measured media.

Allstate Insurance Co., a multiple line insurance group, and world's largest stock company insurer of autos (State Farm is the largest among mutual companies), had a total ad budget of about $28,000,000 in 1979, up about 12% from 1978, according to the company.

Allstate's ad budget included direct mail, collateral, p.o.p. and advertising in the Sears catalogs, in addition to measured media. Expenditures reported by Allstate were $14,900,000 in network tv and $1,381,000 in spot; $952,000 in magazines, $450,000 in newspapers and $902,000 in production costs.

ADVERTISING EXPENDITURES

	1979	1978
Magazines	$13,819,600	$55,930,800
Spot tv	17,053,500	21,091,200
Network tv	65,976,300	71,367,500
Network radio	5,434,300	4,388,300
Spot radio	308,200	11,000,000
Newspaper supplements	98,700	—
Outdoor	121,900	157,000
Total Measured	102,812,500	163,934,800
Unmeasured*	276,500,000	254,060,000
Estimated total	379,312,500	364,999,800

*From AA's usual sources includes catalog

ADVERTISING EXPENDITURES**

	1979	1978
Newspapers	$330,000,000	$317,000,000
Magazines	19,000,000	42,000,000
Spot tv	12,000,000	14,000,000
Network tv	51,000,000	50,000,000
Spot radio	12,000,000	12,000,000
Network radio	3,000,000	8,000,000
Catalog	270,000,000	250,000,000
Direct mail	6,500,000	4,000,000
Estimated total	694,500,000	697,000,000

****Reported by Sears, local plus national media, excluding Allstate**

Understanding how Stafac (virginiamycin) works can improve your Return on Investment.
Stafac (virginiamycin). For the growing pig.

SmithKline's antibiotic Stafac (virginiamycin), a feed additive for animals (that improves weight gain five easy ways), also improved the company's Animal Health Products division sales, up a record 37% from 1978.

SEARS, ROEBUCK & CO.

MARKETING PERSONNEL

Joseph T. Moran, senior exec vp-merch
Charles C. Wurmstedt, senior exec vp-field
John B. Kelly Jr., vp-catalog sales
Gar Ingraham, vp-retail sales
Robert O. Jones, natl catalog adv mgr
Robert G. Kissel, natl retail adv mgr

ADVERTISING AGENCIES

Ogilvy & Mather, Chicago—home appliances; home fashions; credit; corporate—Bill Whitney, senior vp-genl mgr.

Foote, Cone & Belding, New York—women's apparel, accessories and specialties—James R. Guthrie, senior vp-management super.

Foote, Cone & Belding, Chicago—automotive, recreation, toys—Will Adams, senior vp-mgmt super.

Stern Walters/Earle Ludgin, Chicago—children's and youth apparel, contract sales—Maryanne Friend, vp-client mgr.

J. Walter Thompson Co., Chicago—home improvements—Brian Squires, vp-mgmt super.

McCann-Erickson, Chicago—men's apparel and furnishings—Donald Effler, vp-acct super.

Vince Cullers Advertising, Chicago—research and marketing assignments; A.O.R., black media, advertising in black market—Vince Cullers, president.

ALLSTATE INSURANCE CO.

MARKETING PERSONNEL

C. J. Rodine, vp-mktg
D.L. Bolen, asst vp-adv/merch
John W. Dear, adv director
John J. Flieder, asst vp, direct response mktg director
Robert Marineno, direct response mktg director

ADVERTISING AGENCIES

Leo Burnett Co., Chicago—Allstate Insurance Co., Allstate Life Insurance Co., Allstate Enterprises—Ron Sims, mgmt dir; Jack Woods, acct super.

Stone & Adler, Chicago—direct response adv, all products—John Mecchella, acct group mgr; Randi Wine, senior acct exec.

MARCOA Direct, Chicago—direct response adv, third party group products—Ron Perrella, vp; Ron Denz, acct exec.

J. Walter Thompson Co., Los Angeles—Allstate Savings & Loan Assn.

SmithKline Corp.

	1979	1978
Sales	$1,351,145,000	$1,112,039,000
Earnings	233,837,000	164,075,000
Advertising	107,737,000	91,215,000

SmithKline Corp., Philadelphia, a major ethical drug producer and the 43rd largest national advertiser, spent $107,737,000 on advertising last year, an 18% increase over the $91,215,000 of the previous year. Corporate sales increased by 22% in 1979 to $1,350,000,000. Pretax income rose 32%, from $261,275,000 to $343,800,000, and net income grew 43% from $164,075,000 to $233,837,000 in 1979.

The key factor behind the sales growth remains the company's "wunderkind," Tagamet, introduced in the United Kingdom in 1976, and in the U.S. in 1977, a drug for ulcer treatment and related gastric disorders. Although the 1979 increase in net income was below the 84% scored in 1978, the rapidly increasing worldwide sales of Tagamet have pushed it closer to the No. 1 selling prescription medicine, a position presently held by Hoffmann-LaRoche's Valium.

Ethical pharmaceuticals, a major business component of SmithKline, which includes medicine prescribed for patients by physicians, reached $862,000,000 in 1979, a 32% increase over 1978. The major gainers within this product group were the gastrointestinals, led by Tagamet, whose sales leapt 52% to $480,000,000.

This year, Tagamet went one further when the FDA approved its use as a maintenance drug to prevent the recurrence of ulcers. Previously the drug, the brand name for the generic cimetidine, had been limited in the U.S. to treatment of acute ulcer distress. This FDA decision will only strengthen Tagamet's position as the single most important company product, bringing in one-third of the company's total consolidated sales.

The second most important group within ethical pharmaceuticals are the diuretic products, led by the potassium-sparing, antihypertensive diuretic Dyazide. Sales of this cardiovascular group rose 23% to reach $140,000,000. A disappointment to the company was the drug Selacryn, which had been introduced in May, 1979, as the first prescription drug to lower both blood pressure and serum acid levels. Sales were suspended in January, 1980, following review of approximately 50 cases of liver damage in patients using the drug.

Sales of antibiotics grew 11% in 1979, reaching $60,000,000.

Proprietary drug products, which are advertised directly to the consumer and bought without prescription, were down 5% to $130,697,000 from last year. These products, marketed in the U.S. by the Menley & James division, are led by Contac, a sustained release capsule designed to relieve nasal congestion due to the common cold and hay fever. The decongestant lost some ground to the successful Bristol-Myers' Comtrex entry, but still retains its No. 1 position with some 24% of the U.S. market.

Total ad spending for Contac products was $17,093,410, up 28% from 1978. Other proprietary drugs marketed in the U.S. and certain other countries include Sine-off, an analgesic and decongestant for relief of sinus headaches. Combined ad spending was off 12% from last year, down from $5,848,900 to $5,184,200. Other proprietary products include A.R.M., an allergy relief medicine, and Contac Jr., a cold medicine formulated especially for children. Sine-off extra strength tablets combined ad spending was down 47% from last year to $1,696,400 from $2,490,000. A.R.M. allergy relief ad spending was off 35% this year from $4,467,800 in 1978 to $3,292,500 in 1979.

VENTURA ASSOCIATES, INC.
INDEPENDENT JUDGING ORGANIZATION
SWEEP-STAKES

VENTURA ASSOCIATES, INC.
Sweepstakes & Promotion
Design & Administration
200 Madison Avenue
New York, N.Y. 10016
(212) 889-0707

The newly established Professional Products division of Menley & James grew in 1979. Formerly marketed by the ethical pharmaceuticals division, this line includes Teldrin timed release capsules for allergy relief; Ecotrin, a coated aspirin for arthritis that doesn't have stomach ache side effects, and Ornex decongestant and nonaspirin analgesic/antipyretic. Teldrin, previously available only with prescription, is claimed to be the strongest extra strength over-the-counter antihistamine available today.

- In December, 1979, SmithKline, spurred by the success of the diet aid market, introduced to the trade the Dietac line of diet aid tablets, capsules and liquid drops. Consumer ad support began in March, 1980.

Animal Health Products had record sales, breaking the $100,000,000 mark, of $116,000,000, up 37% for 1978. This broad line of ethical vaccines, pharmaceutical products and feed additives includes the company's largest selling animal health product, Stafac, an antibiotic feed additive, and Valbazen, a broad spectrum wormer, marketed and manufactured outside the U.S.

The animal health products division includes Norden Laboratories, a maker of veterinary pharmaceuticals and biologicals in the U.S., and Animal Health Products, which sells feed additives, pharmaceuticals and biologicals worldwide. Within the animal health products industry, SmithKline falls within the top ten.

Industrial instruments sales for 1979 reached $116,768,000, up 21%. The growth in the sales of these products—for nondestructive testing, assembling of plastics and metals and cleaning—was well balanced. Twenty-two per cent of the growth was in the U.S. and 20% abroad.

- Sales progress of medical instruments was "generally disappointing," only up to $47,000,000 from $44,000,000 from the previous year.

In January, 1980, SmithKline purchased Mediscan Inc., a producer of abdominal scanning instruments for use by radiologists, an acquisition geared to augment the growth in this area in the '80s. Within this unit, the fastest growing diagnostic product is Hemoccult which permits early detection of colorectal cancer and other gastrointestinal disorders through "early warning screenings."

- Clinical Laboratories, a network of regional laboratories and satellites services in the U.S. and Canada, increased sales by 26% to $55,000,000, placing SmithKline among the national leaders in the field, a position assisted by the acquisition of laboratories in Denver and Honolulu.

Cosmetics sales, including fragrances and suncare products, were only $24,000,000, down from $25,000,000 the year before. Within the Love's products, the cosmetics were dropped, allowing focus on Baby Soft, the most productive brand, whose combined ad spending in 1979 was $1,152,220, up from $216,000 in 1978, an 81% increase.

In May, 1980, Love was sold to Chattem Inc., a health and beauty aid company based in Chattanooga, Tenn.

- Sea & Ski products had a difficult year, with sales below the low of 1978, a decline attributed to poor weather conditions in key market areas and to increased competition. Total ad expenditure for Sea & Ski suntan products was $92,700, dropped down from $378,500. As a result of declining sales, the Reno, Nev. manufacturing facility was closed in April, 1980. With an estimated over-all market share under 10%, rumor has it that the unprofitable brand will soon be discontinued.

During 1979, the board of directors raised the quarterly dividend twice, from 22½c to 30c in the first quarter and from 30c to 36c in the third, adjusted for the two-to-one stock split in May, 1979. In January, 1980, the board voted to increase the dividend to 41½c a share.

- Early in 1980, SmithKline entered the eye care market by completing the acquisition of Allergan Pharmaceuticals, a leading manufacturer of opthalmic specialty products, and Humphrey Instruments, a company specializing in diagnostic and optical measurement instruments. Using profits from Tagamet sales, the Allergan Instruments purchase, a $238,000,000 stock swap sale, was seen as a "steal" by drug analysts. With Allergan's marketing channels and SmithKline's products, the two purchases are expected to contribute over $100,000,000 in corporate sales in 1980.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$7,400	$129,500
Magazines	6,011,700	2,217,900
Farm publications	730,200	652,700
Spot tv	3,893,000	4,931,600
Network tv	16,357,000	16,838,100
Spot radio	129,500	606,400
Network radio	5,294,100	5,153,900
Outdoor	—	426,900
Total measured	32,422,900	30,956,100
Unmeasured	78,336,570	60,258,900
Total	110,759,470	92,215,000

SMITHKLINE & FRENCH LABORATORIES

Philadelphia

MARKETING PERSONNEL

Alan J. Dalby, exec vp, SmithKline Corp.; president, SmithKline & French Laboratories
John Groom, vp, SmithKline Corp ; president, intl pharmaceutical prods
Thomas M. Collins, vp, SmithKline Corp., president, U.S. pharmaceutical prods
Harry C. Groome III, vp-mktg—U.S.
William S. Pilling, vp-mktg admin—U.S.
Frank J. Byrne, vp-customer affairs—U.S.
Joseph Rutledge, vp-trade relations—U.S.
Robert Cook, vp-sales & distribution—U.S.
Charles P. Lowman, director, mktg communication—U.S.
Warren Blair, director of design—U.S.
Donald Boultbee, vp-intl mktg

MENLEY & JAMES LABORATORIES

Philadelphia

MARKETING PERSONNEL

Peter Godfrey, vp, SmithKline Corp.; president, Menley & James Laboratories
Samuel Rulon-Miller, vp and genl mgr—U.S.
William P. Howe, vp-mktg—U.S.
Richard E. Bagley, vp-sales and customer affairs—U.S.
John Chappel, vp-intl operations
Spurgeon S. Smith, mktg director, proprietary prods
Christopher Young, mktg director, Contac
Mike Dujmusic, director, mktg-intl
Christine Hardy, senior brand mgr, Dietac
John P. Noonan, vp, mktg services and mfg—U.S.
John J. Mulvihill, mgr, govt mktg
Geoffrey Hawes, promo mgr
David Heist, mgr, trade relations
David Schmidt, design director

ADVERTISING AGENCIES

Ogilvy & Mather, New York—Contac, Contac Jr., Sine-Off, A.R.M. Allergy relief medicine—David Scott, mgmt super-creative director; Barbara Smith, deputy mgmt super; George Wilson, acct super.

Grey Advertising, New York—professional products div—Fred Milman, vp-acct super.

N W Ayer, New York—Dietac—E. Grossman, acct super; L. Rubin, acct exec.

Avrett, Free & Fischer, New York—new products, Peter Murray.

SEA & SKI CORP.

Philadelphia

MARKETING PERSONNEL

Melmon May, senior brand mgr

ADVERTISING AGENCY

Scali, McCabe, Sloves—New York.

GEOMETRIC DATA

Wayne, Pa.

MARKETING PERSONNEL

Melvin Miller, president
Edward Wampold, vp-sales and mktg
Charles Kane, director, sales and mktg-intl
Paul Rust, director, sales and mktg-U.S./Canada
Lee Cooper, adv mgr

SMITHKLINE CLINICAL LABORATORIES

Philadelphia

MARKETING PERSONNEL

M. James Barrett, president
Marc Feldman, director, mktg

SMITHKLINE INSTRUMENTS

Sunnyvale, Cal.

MARKETING PROFILES

MARKETING PERSONNEL

David M. Hintz, president,medical ultrasound
John A. O'Malley, president, in-vitro diagnostics

SMITHKLINE DIAGNOSTICS
Sunnyvale, Cal.

MARKETING PERSONNEL

Jack Bolwell, vp-mktg
Gary Breit, director, product mgmt
Bud Barclay, product mgr
Robert Buchs, natl sales mgr
Judith Reimer, adv and sales promo admin
S. Wayne Kay, director, intl mktg

MEDICAL ULTRASOUND DIVISION
Sunnyvale, Cal.

MARKETING PERSONNEL

Thomas Jedrzejewicz, director of mktg
Sharon Freitas, adv and sales promo mgr
Loren Walker, sales mgr
Calvin Drayton, product mgr, cardiology
Hugh Busey, product mgr, abdominal scanning

IN VITRO DIAGNOSTICS
Sunnyvale, Cal.

MARKETING PERSONNEL

Jack Bolwell, vp-mktg
Carol Wilson, director, chemistry product mgmt
Donald Alford, mgr, U.S. chemistry sales
Joan Persichetti, mgr, mktg promo services

SMITHKLINE INSTRUMENTS SOUTH WINDSOR DIVISION
South Windsor, Conn.

MARKETING PERSONNEL

Ronald Haverl, genl mgr and director of mkt devel
Hugh Busey, product mgr, abdominal scanning

ACOUSTIC EMISSION TECHNOLOGY CORP.
Sacramento, Cal.

MARKETING PERSONNEL

Allen Green, president
David Garland, natl sales mgr

ADVERTISING AGENCY

C.A. Nickelsen, Sacramento, Cal.—Nick Nickelsen, acct exec

BRANSON CLEANING EQUIPMENT CO.
Shelton, Conn.

MARKETING PERSONNEL

Robert J. Hunter, president
Thomas J. Calhoun, product mgr

ADVERTISING AGENCIES

Chandler & Marvel, Bristol, Conn.—Robert Chandler, acct exec.

Maier, Advertising, Farmington, Conn.—Tim C. Gaillard, acct super.

BRANSON INTERNATIONAL PLASMA CORP.
Hayward, Cal.

MARKETING PERSONNEL

James F. Battey, president
Kenneth Arsenault, mktg mgr
Joyce Waterhouse, adv mgr

BRANSON SONIC POWER CO.
Danbury, Conn.

MARKETING PERSONNEL

Donald Kolb, vp-mktg
Ed Samuels, natl sales mgr
Mark Miller, adv and sales promo mgr

ADVERTISING AGENCY

Kieler-McKinley, Farmington, Conn.

KRAUTKRAMER BRANSON
Stratford, Conn.

MARKETING PERSONNEL

Daniel E. McNulty, president, genl mgr
Richard Hull, director of mktg
George Quinn, mgr, mktg services

ADVERTISING AGENCY

Marquardt & Roche, Stamford, Conn.—Melanie Messelt, acct exec.

KB-AEROTECH
Lewistown, Pa.

MARKETING PERSONNEL

John A. Brittain, genl mgr
James Sabol, medical mktg mgr
Lee Fenicle, medical sales mgr
Thomas Clark, industrial sales mgr

SMITHKLINE ANIMAL HEALTH PRODUCTS
Philadelphia, Pa.

MARKETING PERSONNEL

Norman Blanchard, vp-intl operations
Alan Herosian, intl mktg planning mgr
Roger C. Crum, director, U.S./Canada operations
Gerald Myers, natl sales mgr, U.S./Canada operations
Alan Witkin, mgr,mktg rsch

ADVERTISING AGENCY

Fletcher/Mayo/Associates—Alice Phelan, acct super.

NORDEN LABORATORIES
Lincoln, Neb.

MARKETING PERSONNEL

John P. Wareham, president
Daniel B. Hinnah, director, mktg
Lyle Ashelford, adv mgr

ADVERTISING AGENCY

Bozell & Jacobs, Omaha, Neb.—Omer Dye, acct exec.

HUMPHREY INSTRUMENTS
San Leandro, Cal.

MARKETING PERSONNEL

Jack Lloyd, president
Jerry Hansen, vp-mktg
Keith Ignotz, natl sales mgr

ADVERTISING AGENCY

McArthur & Associates.

ALLERGAN PHARMACEUTICALS
Irvine, Cal.

MARKETING PERSONNEL

Gavin S. Herbert, president
Richard Ulmer, vp-mktg
Kenneth L. Khachigian, public affairs consultant

Squibb Corp.

	1979	1978*
Sales	$1,452,712,000	$1,238,752,000
Earnings ...	123,722,000	117,255,000
Advertising	60,000,000	50,000,000

***Restated**

Squibb Corp., New York, the 70th largest national advertiser, is estimated to have increased its ad spending in 1979 by about 20% to $60,000,000. Squibb reported its worldwide ad expenditure at $93,199,000 in 1979.

Sales for 1979 were more than $1.4 billion, up 17% from 1978. Earnings increased 6% in 1979 to $123,722,000. Squibb operates four wholly owned subsidiaries: E.R. Squibb & Sons, Charles of the Ritz Group Ltd., Life Savers and Dobbs Houses. Squibb recently entered into an agreement to sell the food services business of Dobbs Houses to Carson, Pirie Scott & Co., Chicago. Sales of confections reached $343,132,000 in 1979, an increase of 3%. Intense competitive pressures continued to adversely affect the business. Profit from confectionery operations increased marginally from $52,549,000 in 1978 to $54,665,000 in 1979.

▪ Advertising spending declined for Life Savers, with more than $23,000,000 spent in 1979 compared with $24,000,000 in 1978, in support of its chewing gum, bubble gum, hard roll candy, mint and lollipop brands.

Maintaining its category leadership, Life Savers candy continued its "Coming Home" campaign introduced in 1978 with commercials by Henry Fonda, Suzanne Somers and Dorothy Hamill. Total spending of more than $6,000,000 was placed in network tv and radio. Life Savers Lollipops used its animated tv spokesman, Willie Whirlwind, in commercials to children and teen agers.

Bubble Yum also kept its No. 1 spot and added two new flavors, tropical punch and wild cherry, as well as a sugarless line extension. Ad spending was $5,400,000 on children's network tv and teen radio. A "Number Yum"-themed campaign began in January, 1979.

Care*Free gum increased its share of the sugarless gum market overtaking Trident as the leading brand during the first quarter of 1979. Ad spending, dropping to $5,000,000 from $6,000,000 in '78, supported a "32% more gum than Trident" campaign in network tv and radio. Care*Free introduced two new bubble gum flavors, strawberry and wintergreen, in early '79.

Fruit Stripe gum continued its "Herd of Flavors" tv campaign, splitting its almost $1,000,000 ad budget between tv and a new comics book schedule directed at young children.

In an effort to build another market leader, Life Savers completed the national rollout of Breath Savers in mid-1979. According to Life Savers, this product has become the best-selling sugar-free mint in its original western and southern expansion areas. The introductory campaign positions Breath Savers head-to-head against Warner-Lambert's Certs, a sugar breathmint, and identifies Breath Savers as the way to "freshen your breath without sugar." Advertising expenditures totaled almost $4,500,000, going to spot tv during the first half of '79 followed by network tv and radio once the brand went national.

Life Savers ended the year with the national introduction of Sweet Nothings, its first full line of sugarless mints and hard candies. Advertising was set to begin during the first quarter of 1980 with copy that says that Sweet Nothings tastes like real sugar candy and reinforces the message with the familiar "whispering sweet nothings" expression.

Sales of Charles of the Ritz Group fragrances and cosmetics divisions reached $241,248,000 in '79, a 32% increase over '78. Profits from operations grew 60% compared to the 24% gain in '78.

The company says the year's results were primarily due to the continuation of the successful 1978 launches of Enjoli and Yves Saint Laurent's Opium and revitalization of Charles of the Ritz cosmetics.

▪ Enjoli, with a $4,447,500 measured ad budget, spent advertising dollars primarily in network tv with additional print support. The fragrance, introduced in August, 1978, showed a 144% sales increase in '79, making it the No. 3 fragrance behind Revlon's Charlie and Jontue, the company said. Enjoli planned a major bath line introduction in 1980.

Opium, introduced in the U.S. in October, 1978, generated a 222% sales increase in 1979. The product's name and advertising, handled by Cathy Cash Spellman, created a furor when several groups protested that they were an insult to Chinese and other racial groups. The ads were discontinued in late spring and the account, billing $750,000, was then signed to Murray Salit & Associates. A campaign themed, "Never has a perfume provoked so much emotion," was launched in the fall.

The Yves Saint Laurent brand group, which includes Rive Gauche and YSL Pour Homme, reached a new sales high in 1979, according to the company.

The Charles of the Ritz brand of cosmetics products advertised primarily in magazines with some spot tv in 1979. The account was moved to Needham, Harper & Steers from Kurtz & Tarlow. The year was marked by the successful introduction of Revenescense Moist Environment Body Treatment and the Prescribed Skin Care collection of treatment products, the company noted. Just after year-end, the company received complete ownership of the Bain de Soleil trademark rights in the U.S. and Canada. An extension of the skin line, Prescribed Nail Care, was set for March, '80.

Jean Nate advertised primarily in network tv with additional spot support. Its budget of $2,840,000, a media increase of 25% over 1978, was a major factor in its 22% sales increase, the company said.

E.R. Squibb sales were up 20% in 1979 to $868,332,000. Profits from this operation grew 16% to $119,737,000 as a result of the sales increase and higher income from licenses partially offset by increased investment spending for marketing.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$ 215,400	$ 145,000
Magazines	2,777,400	1,612,600
Spot tv	8,465,100	2,484,200
Network tv	19,462,600	24,890,500
Spot radio	1,606,400	4,114,000
Network radio	3,981,700	80,300
Outdoor	9,300	——
Total Measured	36,577,900	33,326,600
Unmeasured	23,422,100	16,673,400
Estimated total	60,000,000	50,000,000

CHARLES OF THE RITZ GROUP

MARKETING PERSONNEL

Martin H. Schmidt, president & ceo
John Grace, senior vp-worldwide mktg devel
Brenda Harburger, vp-mktg, new prod fragrance div
Simone Hoffman, senior vp-genl mgr, cosmetics div
Mark A. Laracy, senior vp-genl mgr, fragrance div
Kenneth Meeker, vp-mktg, Jean Nate
Robert Miller, senior vp-CRGL, president, CRGL Int'l
Tim Hogan, vp-mgmt & mktg services
Kristina Wrba, vp-mktg, Yves Saint Laurent

ADVERTISING AGENCIES

Advertising To Women, New York—fragrance.

Needham, Harper & Steers, New York—Charles of the Ritz.

Murray Salit & Associates, New York—Opium, Y, YSL Pour Homme.

Peter Rogers, New York—Alexandra de Markoff.

LIFE SAVERS

MARKETING PERSONNEL

William Mack Morris, president
Jerral R. Pulley, exec vp
Lawrence K. Hathaway, senior vp-mktg

ADVERTISING AGENCIES

Dancer Fitzgerald Sample, New York—Life Savers roll candy, Care*Free sugarless gum, Fruit Stripe gum, Life Savers lollipops, Breath Savers, Sweet Nothings, new prods—Joseph Mack, mgmt super.

Foote, Cone & Belding, New York—Bubble Yum bubble gum, Beech-Nut gum, new prods—Jeffrey Fine, group mgmt super.

E.R. SQUIBB & SONS

MARKETING PERSONNEL

Digby W. Barrios, vp-mktg
Richard A. Druckman, vp-product planning
V.N. Anderson, vp-sales

ADVERTISING PERSONNEL

Stephen R. Savat, Thomas Dulin, Caroi Pate, adv mgrs
Virginia Lucidi, associate adv mgr
Edith Vandenburgh, adv services mgr
Robert L. Williams, communications services mgr
Frank O. Henschel, media planning mgr
Richard A. Canning, scientific projects mgr
Norman Shack, copy services mgr
Leo Avila, art services mgr

ADVERTISING AGENCIES

E.R.S. Advertising, Princeton, N.J. (inhouse)

Grey Advertising—Theragran

Dugan & Farley, Montvale, N.J.—Velosef

Rolf Rosenthal, New York—CORGARD

Gross/Townsend/Frank—HALOG/-KENALOG

Standard Brands

	1979	1978
Sales........	$2,613,274,000	$2,400,000,000
Earnings	86,355,000	75,800,000
Advertising	36,400,000	34,211,000

Standard Brands, New York, the 95th largest national advertiser in 1979, spent an estimated $36,400,000 in advertising, a 6.4% increase over 1978 expenditures of $34,211,000.

Worldwide, the company spent an estimated $58,245,000 in 1979 advertising, up from $51,900,000 in 1978.

The company, which registered worldwide sales and earnings gains for the 24th consecutive year, reported that total sales rose 8.9% to $2.6 billion while net income worldwide grew 14% to $86,400,000. Earnings per share of common stock rose 13% to $3.04.

Approximately 6% of the 11% dollar sales increase related to price increases and 3% related to unit volume gains in the company's established product lines, including Fleischmann's and Blue Bonnet margarines, Baby Ruth and Butterfinger candy, Planters nut products, Isomerose brand high fructose corn syrups, Walkers Crisps and Royal desserts. The balance—2%—was attributable to acquisitions, notably Dickson's Food Services Ltd. in Canada, Romix Foods Ltd. and its Granny Smith's products in the United Kingdom and the U.S. distribution rights to Inver House Scotch whisky, added to the Julius Wile & Sons division last year.

Domestic sales reached $1.5 billion, up slightly from 1978's total of $1.4 billion.

Standard Brands is divided into

two business segments—consumer products and food ingredients products. The consumer products segment consists mainly of the U.S. consumer products group and the beverage group.

U.S. consumer products is composed of Standard Brands Foods, Curtiss, Planters and Pinata. The beverage group consists of the Fleischmann Distilling Co., Julius Wile & Sons Co., and All Brand Importers.

The consumer products division accounted for 79% of total 1979 net sales and 91% of operating income. The division's net sales increased 11.1% to just over $2 billion last year, up from nearly $1.9 billion in 1978.

The Standard Brands food segment maintained its leadership in the margarine market as Fleischmann's, the leading brand in the premium category, achieved record earnings for 1979. Sales also increased for Blue Bonnet margarine.

Early this year, test ads rolled out for a new product called Discovery, a low-calorie margarine. At the same time, the division terminated manufacturing its dog food products and phased out Blue Bonnet Smooth & Easy sauce, a marketing failure that cost the company $6,000,000 in marketing support.

During 1979, the company introduced new modern packaging for its entire line of Royal gelatins, puddings and other dessert products and began national distribution of a line of Planters unsalted dry roasted nuts. Introduced in 1979, sales of Fleischmann's light corn oil spread were above expectations.

Pinata Foods, a California-based producer of quality Mexican foods acquired in 1977, was a disappointment last year but Standard Brands is presently attempting to restructure the segment.

■ The Planters division attained record sales in 1979, particularly in the vacuum-packed peanut and dry roasted mixed nut lines.

The Curtiss division posted peak revenues, once again led by market leaders Butterfinger and Baby Ruth candy bars. After a year of test marketing, national distribution rolled for Reggie, the candy bar named after New York Yankee baseball star Reggie Jackson.

The beverage group, which chalked up gains in both sales and earnings, was broadened by the purchase of U.S. rights to Inver House Scotch whisky and worldwide rights to Cafe Lolita coffee liqueur from Publicker Industries. The company also purchased most of the American Distilling Co.'s brands and inventories.

In addition, the company successfully introduced Droste chocolate liqueur and began marketing the complete line of Pancho Villa tequila products, plus premixed Margarita cocktails.

Fleischmann's gin and Preferred whisky and Royal vodka all registered strong performances in 1979.

■ Broadened by the Inver House label acquisition, the Julius Wile & Sons Co. continued to register sales and earnings growth with Benedictine D.O.M. and B&B liqueurs. Dry Sack sherry maintained its leadership in the category. Bollinger champagnes, Antinori Italian wines, Deinhard German wines and Souverain California wines continued strong. The company also began marketing the Grenadier line of ceramics.

All Brand Importers, a beer importing and distributing company, had a record year due particularly to the public acceptance of Moosehead beer which became the tenth leading seller among imported beer brands only two years after its U.S. introduction. Foster's lager beer also registered record sales in 1979.

Last year, the food ingredients group experienced a 16% net sales gain to $548,550,000. This segment accounted for 21% of the company's 1979 net sales. The group is composed mainly of the Clinton Corn Processing Co., the Fleischmann bakery ingredients division and the Fleischmann's vinegar unit.

During 1979, sales of Isomerose high fructose corn syrup (HFCS) increased while both the bakery ingredients and vinegar divisions hiked sales and earnings. According to Standard Brands, an upward trend in sugar prices will greatly add to HFCS sales this year.

Fleischmann's vinegar divison posted higher sales and earnings in 1979, maintaining its market leadership in the industry. Fleischmann's bakery ingredients division also registered higher sales and earnings last year, as did the international group, particularly the Canadian and European operations. The company's acquisition of Romar, a pet food line, strengthened the Canadian division.

Operations outside the U.S. accounted for 40% of the company's consolidated net sales and 41% of its operating income last year. Its operations are divided into five geographic areas: Canada; South America; Caribbean, Central America and Mexico; Europe, United Kingdom, Middle East and Africa, and the Far East.

■ Standard Brands' products received $26,039,900 support in domestic measured media in 1979, up 7.4% from the previous year. The two heaviest backed products on its roster were Planters nuts with $5,093,900 and Fleischmann's margarine with $4,646,500. Total media spending for the entire Planters line was $6,097,500, down 7.7% from $6,535,500. Media expenditures for the Reggie bar doubled to $1,683,800, all in spot television, as the product rolled national.

Blue Bonnet margarine was given $2,561,400 in measured media support while Dry Sack sherry received $1,204,700 and Benedictine and B&B liqueurs got a combined $891,000.

Standard Brands focused most of its measured emphasis on television, with $8,400,000 going to spot tv and $7,000,000 to the three tv networks. Magazines got $5,500,000 last year, when newspaper spending remained virtually unchanged since 1978 with $1,600,000. The sharpest change in measured support involved radio, which soared to $3,100,000 last year from $502,400 the preceding year.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$1,677,700	$1,614,700
Magazines	5,597,800	4,010,300
Spot tv	8,422,800	8,636,300
Network tv	7,058,100	8,991,300
Spot radio	3,053,400	502,400
Network radio	44,400	—
Outdoor	185,700	498,700
Total measured	26,039,900	24,253,600
Unmeasured	10,360,100	9,957,400
Estimated total	36,400,000	34,211,000

U.S. CONSUMER PRODUCTS GROUP

William E. Dyer, senior vp & group exec
Art Pearson, vp, mktg services

STANDARD BRANDS FOOD

MARKETING PERSONNEL

David M. Chamberlain, president
David Graham, vp, mktg/planning
Giovanni Pacheco, group product mgr, desserts
Ellen R. Marram, director, margarine
Anthony Franklin, mgr. adv

ADVERTISING AGENCIES

Doyle Dane Bernbach, New York—Blue Bonnet margarine & spread; Tender Leaf Tea—Jerry Brady, vp, mgmt super

Wells, Rich, Greene, New York—Fleischmann's margarine & spread; Fleischmann's Egg Beaters

J. Walter Thompson Co., New York—Fleischmann's Yeast, Standard Brands Intl prods—Ken Robbins, acct group director

Landsdowne Advertising, New York—Royal Dragon Oriental Frozen Foods—Arthur Cohen, mgr director; Pinata Foods

Curtiss

Warren Burkholder, president
Thomas Corr, mktg vp
Lawrence D. Baumgart, group product mgr, Butterfinger
Beth L. Brommer, group product mgr, Baby Ruth, Jumbo Block
Charles Tate, group product mgr, Reggie Peanut Butter Cups, Wayne
Jerome Hamziuk, senior product mgr, Pearson, Salted Nut Roll

Planters

Fred Corrado, president
Robert B. Truckenbrod, vp, mktg
J. Carey Keane, director, mktg, Planters nuts
Henry B. Hawley, senior product mgr, Southern Belle, nut-bags
H. Malcolm Bybee, director, snacks & business development
David L. Bacon, group product mgr, cans
Leonard F. Reiter, group product mgr, jars

ADVERTISING AGENCIES

Benton & Bowles, New York—Planters nut prods—J. Frazer, acct super

Lee King & Partners, Chicago—Curtiss Confectionery: Baby Ruth, Butterfinger, Reggie bars—Robert Inmen, mgr-super; Tom Sabin, acct mgr

BEVERAGE GROUP

MARKETING PERSONNEL

Ferdie A. Falk, senior vp, group exec
Leo Begleiter, senior vp, mktg

Fleischmann Distilling Division

Robert C. Baranaskas, president
Mort Mazor, vp, mktg
Robert Shutte, vp, sales
Howard Gintell, product mgr, Fleischmann's Preferred, Fleischmann's gin, Royal vodka, Canadian Ltd., Metaxa
Karen Lampert, product mgr, Garnier Cordials, DiAmore liqueurs, Droste, Silhouette imported vodka, Cafe Lolita; public relations
Alfred D'Isernia, product mgr, Ezra Brooks, Trigo rum, Duval Sambucca Originale, Pancho Villa Tequila, Paso Fino rum liqueur, Cockspur rum, Montego Bay rum, Mission Father's brandy, Grenadier ceramics
Joseph Tremont, vp, Ezra Brooks-ceramics

Julius Wile & Sons Division

Neil Bianchini, president
Jerome Levy, vp, mktg
Richard A. Amen, vp, genl mgr, sales
Cornelius H. Marx, senior vp, operations
Julian P. Levinson, group product mgr, Williams & Humbert sherries, Dry Sack, Inver House, Souverain premium California wines, Montgomery Laphroaig scotch
Dennis E. Beacham, group product mgr, Benedictine & B&B liqueurs, St. Raphael aperitif wine, Get Peppermint liqueur, Lemon Hart Jamaica rums, Delamain cognac, Comandon, Fonda Blanca

ALL BRAND IMPORTERS

Paul Lohmeyer, president
John Roux-Lough, mktg vp
Robert A. Martin, director, adv/promo
Robert J. Wilson, senior vp

ADVERTISING AGENCIES

de Garmo, New York—Dry Sack sherry, Cream Sack sherry, Benedictine, Benedictine & Brandy, Pernod, St. Raphael, Julius Wile products, William Alsatian wines, Antinori Italian wines, Bollinger champagne, Chanson burgundies, Langlois Chateau sparkling saumur, Leacock Madeiras, Prats—Dave Mandelbaum, acct super.

Waring & LaRosa, New York—Fleischmann's Preferred blended whisky, gin, Royal Vodka, Canadian Ltd., Southern Host liqueur, Trigo White & Gold rums, Ezra Brooks bourbon, White Tavern vodka & gin, Duval French vermouths, French Kiss aperitif, Amaretto di Amore, Fonda Blanca white & gold tequilas, Capercaillie and Churchill Scotch whiskies, Select and bonded bourbon whiskies—Seth David, vp, acct super.

Sacks & Rosen, New York—Skol Dutch lager beer, Garnier liqueurs, Metaxa Greek liqueur—Michael Rosen, vp, acct super.

Mathieu, Gerfen & Bresner, New York—Foster's Moosehead—Nat Norton, acct super.

Erwin Wasey Inc., Los Angeles—Souverain premium California wines—Joseph Gallagher, mgmt super.

Siesel Co., New York—Duval vermouths—Alfred Siesel, mgmt super; Daniel Siesel, acct super.

AMERICAN DISTILLED SPIRITS CO.

John Kucich, president

Sterling Drug

	1979	1978
Sales†	$821,180,000	$724,595,000
Earnings‡	111,594,000	94,675,000
Advertising*	92,000,000	78,000,000

*** AA estimate**
† Domestic
‡ Worldwide

Sterling Drug, New York, the nation's 49th largest advertiser, spent an estimated $92,000,000 for U.S. advertising in 1979, up 18% from 1978. Worldwide advertising expenditures were reported by the company at $207,170,000, up from $174,461,000 in 1978.

Sterling's worldwide sales were $1.5 billion, up 15% from $1.3 billion in 1978. Net income for the year increased 18% over last year to a record $111,594,000. Sterling markets its products in the U.S. and 125 other countries.

The company reported that sales of its pharmaceutical specialties division rose 6.4% in 1979, reflecting strong performances by both its Winthrop and Breon Laboratories.

Breon specializes in the marketing of prescription products for use in anesthesia, emergency medicine and pulmonary diagnosis and therapy. Sales increased for its Bronkometer bronchodilator and Marcaine local anesthetic. A new product, Breokinase, was approved by the Food & Drug Administration for use in treating pulmonary embolism.

Winthrop has both prescription and consumer product divisions. Prescription products include Demerol analgesic, Hypaque, Telepaque and Bilopaque radio diagnostic agents and pHisoHex and SeptoDyne antiseptic skin cleansers. Amiqaque, another drug used in spinal X-rays, was reported successful in its first full year of marketing.

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MARKETING PROFILES

Winthrop consumer division invested $1,766,500 in ad support for its Neo-Synephrine nasal spray and $1,720,800 on Neo-Synephrine II, a long-lasting nasal decongestant. In addition, Winthrop spent $1,321,400 to promote its pHiso-Derm skin cleanser to a primarily teen age market.

- Glenbrook Labs, Sterling's primary proprietary drug marketing division, experienced strong growth last year. Sales of $168,359,000 were 9.1% above 1978's total of $154,380,000. Operating profit surged almost 15% to $33,449,000.

Bayer aspirin continued to be Glenbrook's leading product and was backed by $21,046,500 in measured media, an increase of nearly 30% over 1978. In recent years, Bayer's share of the $750,000,000 analgesic market slipped to about 10%. Tylenol (McNeil Labs) leads with a 20% share, followed by Anacin (13%) and Bufferin (10%). But Bayer's fortunes may be changing. Recent scientific studies which appear to show that aspirin's anti-clotting properties may be useful in cardiovascular diseases have opened the door to a vast, potential new market.

The FDA recently allowed Glenbrook to inform medical professionals of the newly recognized benefits of aspirin in treating transient ischemic attacks (mini strokes). Sterling believes that Bayer's traditional positioning as "100% pure aspirin" will aid its marketing effort if and when aspirin is approved for such uses.

Two other Bayer products received over $1,000,000 in ad backing. Bayer children's aspirin was supported with $2,882,300 in ad spending. Bayer Timed-Release aspirin tablets were supported by a $1,118,600 network television budget in '79.

- Other Glenbrook products receiving hefty ad support were Midol caplets, accounting for $4,257,600 in measured media spending, Diaparene disposable baby wash cloths, $1,025,100 and Phillips' Milk of Magnesia, budgeted at $391,700.

Lehn & Fink Products Group accounts for virtually all of the company's domestic business in household products, cosmetics and toiletries. Both sales and profits were strong. Sales increased 19.4% to $304,227,000 while profits climbed 21.9% to a record level of $53,325,000.

The Lysol products division, Lehn & Fink's big money maker, received $21,294,800 in ad support, up from $19,000,000 a year ago. Also heavily backed were Lysol spray disinfectant, $8,925,000; Lysol liquid deodorizing cleaner, $4,112,700; Lysol spray basin, tub and tile cleaner, $2,754,100.

- The Lehn & Fink product which caused the most stir, however, was a new product rollout, "Love My Carpet." Backed by nearly $5,000,000 in ad spending, the product succeeded in capturing nearly 40% of the market which was dominated by Airwick's Carpet Fresh. As reported in ADVERTISING AGE, a Lehn & Fink marketing exec not only admitted that his company copied the Airwick product, but suggested that to "replicate, not innovate," was a sure-fire means of marketing success. His remarks sparked controversy throughout the industry and, in early 1980, Airwick filed a patent infringement suit seeking triple damages.

Lehn & Fink cosmetics division increased its ad support for Ogilvie hair products. Reacting to a fashion trend toward curly hair, Ogilvie home permanent products received a boost of $1,152,500 and succeeded in capturing 4% of a rapidly expanding market. Other Lehn & Fink cosmetic products include Dorothy Gray skin treatment products and Tussy deoderant.

Other leading Lehn & Fink entries include Stri-Dex medicated pads and Wet Ones towelettes. Stri-Dex pads, an acne remedy, received $1,788,300 in ad spending. In addition, Stri-Dex was backed by a "sports shorts" promotion, a successful premium offer aimed at the teen market. Wet Ones towelettes received $1,895,500 in media backing.

The d-Con part of Lehn & Fink's product group had a record year for both its rodenticides and insecticides, thanks in part to ad spokesman Muhammad Ali. Sales for the d-Con Four/Gone automatic indoor fogger, which received $1,204,600 in ad backing, and d-Con roach traps, supported by $1,025,100, were particularly strong. d-Con's market share is currently at about 10%.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$1,224,700	$1,352,900
Magazines	11,168,500	7,189,200
Farm publications	235,300	263,000
Spot tv	5,360,400	6,289,000
Network tv	63,776,300	55,507,500
Spot radio	1,878,400	2,275,000
Network radio	4,068,500	2,754,700
Outdoor	40,500	61,400
Total Measured	$87,752,600	$75,692,700
Unmeasured	$4,247,400	2,307,300
Estimated Total	$92,000,000	$78,000,000

GLENBROOK LABORATORIES DIVISION

New York

MARKETING PERSONNEL

James Alberts, vp-director of advertising services
F.M. Fox, vp-director of sales
P. Klein, vp-director of new prods
G.P. Mattimore, group mktg director, non-analgesics
C.G. McLennan, group mktg director, analgesics
P.V. DeCrescenzo, promo services mgr
H.C. Johnson, mgr-promo materials purchasing
J.C. Marshall, director of mkt rsch

Product Managers

P.H. Kalikstein, senior product mgr-Bayer adult aspirin
R.A. Perlman, senior product mgr-new products
M.R. Guarini, Bayer adult aspirin
R.H. Kruger, Bayer
R.E. Norell, Bayer children's products, Vanquish, Cope
K.J. Sims, Midol caplets, Bayer Timed-Release, Breacol cough syrup
K.E. Messer, Diaparene line
W.C. Elliott, Phillips line, Fizrin, Dr. Lyon's, Fletcher's Castoria
H.J. Muessen, new prods
A.M. Kidder, new prods

ADVERTISING AGENCIES

SSC&B, New York—Bayer aspirin, Bayer children's aspirin, Bayer children's cold tablets, Bayer Timed-Release aspirin, adult Bayer, new products—Arthur Knaus, senior vp; Thomas Perrotta, mgmt super; William Croke, mgmt super; John Cross, senior vp, new products.

Thompson-Koch Co. New York—Midol, Richard Hartman, acct super; Daniel Kane, media director.

Cunningham & Walsh, New York—Phillips' line, Fletcher's Castoria, new products—Frank Vernon, mgmt super, C. Denton, acct super.

James Neal Harvey Inc., New York—Diaparene line, new products—R.W. Tucker, exec vp; John Andes, acct super; Barbara Ackerman, acct exec.

Dugan/Farley Communications Associates, Montvale, N.J.—medical communications—John P. Dugan, president.

The Marschalk Co., New York—new products—C. Anthony Wainwright, mgmt super.

LEHN & FINK PRODUCTS GROUP

Montvale, N.J.

MARKETING PERSONNEL

Robert D. White, vp, business development

Cosmetics Division

Herbert Waller, president
Peter Stearns, mktg director
Charles Deignan, natl sales mgr

Parfums Givenchy Division

Louis Della Pesca, president
James E. Smith, mktg director

Consumer Products Division

Walter C. Camas, president
Linus Williams, vp-mktg
Albert Cramer, vp-sales

Industrial Products Division

Earle K. Borman, L&F senior vp div president
S. Raymond Mitchell, exec vp, genl mgr, National Labs
Thomas A. Cottone, vp-mktg director

Minwax Co.

Donald H. Henderson, president
Gary Reynolds, exec vp
Ridgely W. Harrison III, vp-sales, Minwax
Paul R. Righter, vp-Dura Seal, Allied div.

d-CON CO.

New York

MARKETING PERSONNEL

Frank E. Rumpeltin, president
John J. McFadden, vp, director-sales
Neil Nix, vp, director-business development
Marvin Matises, mktg mgr, insecticides
John Caputo, product line mgr, rodenticides

ADVERTISING AGENCIES

SSC&B, New York—Lysol products, Love My Carpet, Beacon Wax, Mop & Glo, Wet Ones—Alan Grazio, senior vp-mgmt super; Jay Press, acct super, vp; Richard Griff, acct super, vp.

Warwick, Welsh & Miller, New York—Stri-Dex, MediQuik—Wilder Baker, exec, vp-acct service; Steve Badenhup, acct super.

Warren, Muller, Dolobowsky, New York—Dorothy Gray, Tussy, Ogilvie—Sid Lawrence, acct super.

Levine, Huntley, Schmidt, Plapler & Beaver—Parfums Givenchy—Tim Yaroschuk, acct exec.

Gilbert, Whitney & Johns, Morristown, N.J.—John Daltner, president.

Thompson-Koch Co., New York—d-Con line, Rid-X septic tank conditioner, Energine line, House & Garden bug killer, Stay-Away outdoor fogger, Warpath powder spray, Ant/-roach killer, Ant-Prufe, Roach-Prufe, Four/-Gone (indoor fogger), wasp and hornet killer, Double Power, Roach Traps—E.J. Eberle, acct super, B.L. Rudolph, acct exec.

BREON LABORATORIES

New York

MARKETING PERSONNEL

William H. Marsden, vp-director mktg
Howard Mosesson, vp-director, sales
Michael P. Trepicchio, group product mgr
John Malczynski, product mgr
Kenneth Ludwig, asst product mgr

ADVERTISING AGENCY

Frank J. Corbett Inc., division of BBDO, Chicago—all ethical products—F.J. Corbett, mgmt rep; John M. Alderman, acct super.

WINTHROP LABORATORIES

New York

MARKETING PERSONNEL

Joseph Scarlata, vp-sales
Karl A. Brautigam Jr., vp-mktg/sales consumer div
Edward A. Kelley, vp-mktg/ethical
Jack Pickering, group product mgr/ethical
Neil Sheridan, group product mgr—consumer products

ADVERTISING AGENCY

Lavey/Wolff/Swift, New York—NegGram, Danocrine, Demerol, pHisoHex, Hypaque, Telepaque, Bilopaque—Charles Rockefeller, senior vp.

Frank J. Corbett Inc., division of BBDO, Chicago—Talwin, Talwin Compound—James Miller, acct super.

Cunningham & Walsh, New York—Neo-Synephrine, NTZ, Neo-Synephrine II—Frank Vernon, acct super.

Rumrill-Hoyt, New York—Haley's M-O, Bronkaid tablets and mist, Caroid laxative and pHisoDerm—Jack Hogan, vp.

Thompson-Koch Co., New York—Campho-Phenique—Richard Hartman, acct super.

COOK-WAITE LABORATORIES

New York

MARKETING PERSONNEL

Wayne J. Byers, exec vp
Richard H. Williams, field sales mgr
Dolores M. Franklin, D.M.D. dental director
Robert C. Kibele, vp-gen mgr, Greene Dental products, San Fernando, Cal. (C-W subsidiary)

ADVERTISING AGENCY

Rolf Werner Rosenthal Inc., New York—Carbocaine, Carbocaine with Neo-Cobefin, other local anesthetic solutions, Carpule aspirator syringe, Greene TransView and DarcView X-ray film mounts, Greene filmholders, record cards—Robert P. Smith, acct exec.

STERWIN LABORATORIES

New York

MARKETING PERSONNEL

Jack Salyers, vp mktg

ADVERTISING AGENCY

Sawyer Advertising, Gainesville, Ga.—poultry biologics, other animal health products.

Levi Strauss & Co.

	1979	1978
Sales	$2,103,109,000	$1,682,019,000
Earnings	191,500,000	144,969,000
Advertising	38,563,200	18,967,300

With sales totaling $2,103,109,000 in 1979 and advertising expenditures estimated at $38,563,200, Levi Strauss & Co., San Francisco, joined the ranks of the top 100 national advertisers in 1979, ranking 92nd.

The jeans manufacturer increased sales by 25% in 1979, exceeding $2,000,000,000 for the first time in the company's 129-year history, just four years after sales reached $1,000,000,000. Earnings in 1979 increased 32% over the previous year, reaching $191,500,000.

A major reorganization of management was implemented in January, 1980, resulting in the formation of three major operating units headed by presidents reporting to Levi's chief operating officer.

- Levi Strauss USA was established to consolidate six divisions serving domestic markets. The divisions are Jeanswear, Sportswear, Womenswear, Youthwear, Activewear and Accessories.

Levi Strauss International includes five divisions serving international markets, and the new business group includes Diversified Apparel Enterprises and Eximco, which develops special markets and licenses the Levi's brand. Diversified Apparel Enterprises is the new name given Koracorp Industries, acquired by Levi's in 1979.

- Foote, Cone & Belding/Honig has been Levi's primary agency for more than 40 years and handles the bulk of U.S. advertising. McCann-Erickson, San Francisco, handles Levi's international advertising as well as Activewear for U.S. Botsford Ketchum, San Francisco, was assigned Diversified Apparel Enterprises' Koret of California.

The Winter Olympics and subsequent boycott of the summer games in Moscow by the U.S. had a serious impact on Levi's ad plans for late 1979-80.

The company budgeted $14,000,000 for its Olympics marketing program, $8,000,000 of which was slated for network commercials during the summer games. With U.S. participation in the Summer Olympics canceled, Levi's planned to redirect its ad efforts at the pre-Christmas 1980 holiday period.

Levi's pre-Christmas ad plans call for approximately $8,000,000 to be spent on a three-week corporate, umbrella network tv and magazine campaign supporting additional advertising by the divisions. All the ads were to position Levi's clothing and accessories as Christmas gifts.

Last fall, Levi's spent $525,100 on ads in *TV Guide*, *People* and *Sports Illustrated* to introduce the first of two Olympic sweepstakes. With a theme of "Be the best you can be," the sweepstakes offered 18 winners the choice of any schooling, training or learning adventure of their choice, up to a value of $5,000.

A "Decathalon Sweepstakes," which was to have coincided with the opening of the Summer Olympics, was changed to a "Ten Best" contest, with ten different travel/-adventure prizes offered via magazine ads.

- The major portion of Levi's 1979 ad budget went for network tv; during the year, the company launched network commercials for two divisions, Sportswear and Womenswear.

In a striking departure from Levi's corporate advertising, which uses rotoscope and animation, the Sportswear division dramatized real-life problems for its male audience—pants that are uncomfortable—in 30-second commercials that introduced Actionwear slacks.

Targeted at middle-age males who often suffer from middle-age spread, Actionwear slacks, a blend of polyester and other fabrics with a stretchable waistline, were presented as a solution to the problem.

Levi Strauss & Co. ad spending for its Womenswear division was estimated in excess of $1,300,000 in 1979.

In one commercial, a man who can't sit still during a movie because his pants are too tight is persuaded by his wife to try Actionwear slacks. Wearing the new comfortable slacks, he tells her, "I could sit through a double feature."

The Sportswear division spent approximately $6,000,000 on network commercials and co-op newspaper ads to introduce Actionwear slacks, which topped the sales of both leading brands of men's slacks, Haggar and Farah, in 1979, according to Steve Goldstein, Levi's marketing services manager.

The Womenswear division also followed the "comfortable fit" approach in network tv commercials and a print campaign to advertise women's slacks and jeans.

Featured were Bend Over pants in stretch gabardine, Straight Leg corduroys and jeans and Glove Pants denim jeans. Ad spending for the Womenswear division was estimated in excess of $1,300,000.

- The Jeanswear division, with sales of $743,100,000 in 1979, surpassed the previous record set in 1977 and increased 13% over the 1978 figure. The division took on rugged competition from designer jeans by using network tv to introduce Movin On, fashion jeans for young men, in March, 1980.

A Jeanswear staple item, heavyweight denims, was featured in network commercials in 1979 that showed a welder at a construction site who said he wears Levi's jeans "because I don't scrimp on my tools."

Daytime and prime time network tv represented the major portion of the Youthwear ad budget. A comical fairy godmother character was introduced to explain the advantages of the new Levi's for Girls brand, while the young boys campaign, "He's 63 pounds of raw courage held together by Levi's jeans," was aimed at mothers. The latter appeared on daytime tv and in women's magazines.

Activewear, which Levi's expanded from ski wear to include clothes for running tennis, cycling and other activities of "serious sports participants," according to magazine ads, was introduced in 25 markets in 1979. Plans were made for a national rollout via network tv in the fall of 1980.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$ 51,600	$ —
Magazines	2,895,700	4,156,700
Spot tv	5,628,000	1,539,100
Network tv	17,341,800	8,176,500
Spot radio	3,563,200	—
Network radio	—	88,000
Outdoor	300	7,000
Total measured	29,480,600	13,967,300
Unmeasured	9,082,600	5,000,000
Estimated total	38,563,200	18,967,300

CORPORATE MARKETING PERSONNEL

Walter A. Haas Jr., chairman
Peter E. Haas, president
Robert T. Grohman, exec vp
Frank Brann, senior vp, president, Levi Strauss USA
Robert D. Haas, senior vp, president, new business group
Peter T. Jones, senior vp, general counsel
Alfred Sanguinetti, senior vp, president, Group 1—Levi Strauss USA
Thomas W. Tusher, senior vp, president, Levi Strauss International
Bud Johns, vp-corporate communications

LEVI STRAUSS USA
MARKETING PERSONNEL

Janet Beach, director of mktg services, Jeanswear div
Jim McCarty, ad manager, Jeanswear div
Joanne Flath, director of mktg services, Youthwear div
Steven F. Durham, ad manager, Youthwear div
John Ankeny, director of mktg services, Womenswear div
Jerry Ireland, ad manager, Womenswear div
Steve Goldstein, director of mktg services, Sportswear div
Leslie P. Schumann, ad manager, Sportswear div
David King, director of mktg services, Activewear div
James McDonald, ad manager, Activewear div
John C. Houck, manager, corporate mktg programs

ADVERTISING AGENCIES

Foote, Cone & Belding/Honig, San Francisco-Levi's corporate, Jeanswear, Sportswear, Womenswear, Youthwear.

McCann-Erickson, San Francisco—Activewear

Botsford Ketchum, San Francisco—Diversified Apparel Enterprises.

Time Inc.

	1979	1978
Sales	$2,504,060,000	$1,697,585,000
Earnings	143,922,000	125,742,000
Advertising	102,360,000	76,348,000

Time Inc., New York, the 46th largest national advertiser, increased its ad expenditures 34% to $102,360,000 in 1979, excluding the publishing of direct mail promotion or *pro rata* costs of advertising within its own magazines.

Noting that its 1979 revenues were 48% higher than in 1978, Time Inc. said more than half the revenue increase was from the inclusion of full-year results for Inland Container Corp. and American Television & Communications Corp. in November, 1978, both partly for stock.

In the first half of 1980, Time Inc. reported net income of $69,000,000, as compared with $68,900,000 a year earlier. Revenues were $1.36 billion in the 1980 first half, against $1.17 billion a year ago.

Earnings gains came primarily from magazine, video and paper operations. Book publishing profits were down partly because Time-Life Books series, sold under long-term subscription agreements, limit opportunities for price increases deemed necessary because of inflation. Tight money and decline in residential construction last year depressed building materials earnings. And *The Washington Star*, acquired in 1978, continued to lose money.

- Time Inc. notes that its video group last year emerged as the leading supplier of pay tv programing in the U.S. It acquired ATC, and its Home Box Office pay tv service began to explore and develop new program formats.

The company's magazines—*Time, Life, Fortune, Sports Illustrated, Money, People*—had revenues of $680,000,000, with $408,000,000 in net ad revenues, 17% ahead of '78. Operating profits were up only 6%, to $70,000,000, however, because of rising costs. Books—Time-Life Books, Book-of-the-Month Club, Little, Brown & Co., New York Graphic Society, Books & Arts Associates—reported revenues of $425,000,000, up 18% from '78, with operating profits down 23%, again largely because of inflation and higher

MARKETING PROFILES

selling costs. Time-Life Books accounted for $303,000,000, or 70% of the books' groups total revenue. Completing its second full year with Time Inc., the Book-of-the-Month Club had net sales of $77,000,000. The club used tv for the first time in its 53-year history during 1979 as it built a membership base for itself and its offshoots, Cooking & Crafts Club and Quality Paperback Book Club. Little, Brown published Henry Kissinger's "White House Years," Norman Mailer's "The Executioner's Song," and Herman Wouk's "War & Remembrance."

The forest products business, expanded in 1973 with the acquisition of Temple Industries, brought in $926,000,000 in revenues last year and a profit of $96,000,000. The forest product group's major division is Eastex, operating bleached pulp, paper and paperboard manufacturing facilities. Its revenues last year were up 17% to a record $222,000,000, and profits were up 42%, at $37,000,000. The Temple division had less success as the residential housing market turned sluggish. Temple, marketing wood building materials, showed a profit of $15,000,000, down from $43,000,000 a year earlier.

Inland Container, Indianapolis, a corrugated box manufacturer, had profits of $43,300,000 last year.

Time's Selling Areas-Marketing Inc. (SAMI), a marketing data subsidiary, reported a 13% revenue gain last year along with record profits. SAMI provides grocery product marketers with data on the movement of their products from warehouses to retail outlets. There are 450 companies receiving SAMI data, representing about 77% of total foodstore sales.

The *Washington Star* had its first full year under Time Inc. and, while still losing money, increased its advertising linage market share from 26.5% to 30% and picked up 14,000 daily readers to bring circulation to 343,000.

- Measured media spending was $79,042,600 in 1979, up 32% from $59,194,500 in 1978. Time attributed the increase to additional book publishing advertising, increased magazine advertising and general promotion and increased circulation promotion. Best known for its publishing ventures, the giant in forest products has boosted spending here and in its burgeoning video area.

The largest segment of the Time Inc. ad budget went into spot tv, breaking with the publishing and diversified forest products company spending in the past. Then Time allocated the largest portion of spending on periodicals. In 1979 Time spent $38,240,900 on spot tv and the second largest chunk, $27,243,100 in magazines. In 1978 the company placed $23,391,000 in magazine advertising and $23,190,700 in spot tv advertising.

Network tv's parcel of advertising shrunk in 1979 from $6,051,000 in 1978 to $5,212,700. Time Inc. also spent $6,273,400 in newspapers, up slightly from the $5,546,000 spent in 1978. The company plowed $638,000 into spot tv, down from the $993,700 spent in this medium in 1978. Time's network radio spending totaled $1,390,200, up from the $815,800 placed in this medium in 1978. Time also spent $43,500 in outdoor advertising, up from the $22,100 spent a year earlier.

The company's publishing operations provided 44% of revenues and 46% of pretax earnings and helped boost revenues 48% and earnings 21%.

In 1979, Time's magazines—*Time*, *Sports Illustrated*, *Fortune*, *People*, *Money* and the resurrected *Life*—accounted for 27% of the company's revenues, down from 34% a year earlier, and approximately 25% of operating profit. In September, 1980, Time will launch *Discover*, a monthly magazine on science for the intelligent layman.

- Contributing the greatest share of revenue was *Time*, the leading magazine in worldwide revenues for the past decade. Last year, the flagship weekly pulled in $296,000,000 in ad revenues including $220,000,000 in U.S. revenues.

Time maintained its domestic rate base of 4,250,000 and last year became the first magazine to transmit four-color photographs by satellite. The weekly carried 3,162 ad pages last year.

Time continued to have the largest ad budget of the company's magazines. Its $13,617,700 was spent largely in spot tv ($10,894,900) followed by magazines ($1,182,700), network radio ($551,900), newspaper supplements ($558,500) and network tv ($429,700).

Sports Illustrated, which celebrated its silver anniversary in 1979, had ad revenues totaling $122,130,000 from 2,826 ad pages. The weekly's rate base moved to 2,250,000 in January. In June its subscription rate climbed from $25 to $30. During 1979 *SI* ran the largest ad insertion in its history—a 64-page section on Lake Placid, site of the 1980 Winter Olympics.

SI invested $9,353,400 of its total $10,211,400 ad budget in spot tv, with $407,300 in magazines, $310,700 in network radio and $140,000 in network tv. *SI* has also spawned SI Books with its $477,300 ad budget in magazines; SI calendars, $40,700 in magazines, and SI games, films and mail order promotion, $495,500, $161,800 and $664,600, respectively, all in magazines.

The six-year-old *People* had ad revenues of $89,260,000 from 3,518 ad pages in 1979. The predominantly newsstand and check-out seller maintained its rate base of 2,300,000.

- Of *People*'s $6,683,000 ad budget, $4,387,800 was allocated for network tv and $1,637,500 for spot tv. The weekly also spent $527,600 on network radio.

In February, 1980, *Fortune* celebrated its 50th birthday. The business magazine which switched from a monthly to a fortnightly in January, 1978, upped its rate base from 660,000 to 670,000 in January. *Fortune* took in $49,088,000 in ad revenues from 2,391 ad pages last year. The magazine allocated $1,186,700 of its total $1,334,900 ad budget in spot tv, the rest in magazines.

Money, Time's monthly on personal finance, upped its cover price from $1.50 to $1.75 and raised its subscription rate from $14.95 to $17.95 in July. The magazine took in $11,663,000 in gross ad revenues from 857 ad pages. *Money* placed its entire $2,071,600 advertising budget in spot tv.

Life, resurrected as a monthly in October, 1978, last year had ad revenues of $13,212,000 from 658 ad pages. After its first full year, the magazine raised its rate base from 700,000 to 1,000,000 in April, 1979, and has since increased to 1,300,000. *Life*'s special issue on the 1970s was a virtual sellout. The newsstand price went from $1.50 to $2 in July, 1980.

To promote itself, *Life* spent $2,341,600 of which $2,278,900 went into spot tv.

- Time's seventh magazine, *Discover*, a monthly devoted to science beginning in September, 1980, plans an initial rate base of 400,000.

Time-Life Books, which contributed $303,000,000 in revenues last year, launched "The Good Cook" late in 1979 and "The Epic of Flight" in 1980. TLB also established Stonehenge Press, a new imprint and issued two new record series, "Mozart" and "Giants of Jazz."

Announcing
The new science magazine for smart people who aren't scientists.

Discover, Time Inc's answer to the current consumer fascination with scientific information is scheduled for introduction this fall.

TLB spent $20,798,800 in advertising last year. The lion's share, $11,838,200, went into magazines with $8,350,300 in spot tv, $355,100 in newspaper supplements and $255,200 in network tv.

The wholly owned trade book publishing house, Little, Brown & Co., invested $1,313,800 in magazines to promote its general and children's books, legal and medical books and college textbooks. Its New York Graphic Society spent $268,900 in magazines, to publicize the art reproductions and books it publishes.

The Book-of-the-Month Club, a wholly owned subsidiary, parceled $2,593,700 of its ad budget into magazines and another $1,258,900 into spot tv. BOMC also spent $141,800 in newspaper supplements, to promote its book clubs, records, graphic arts and educational programs.

- Among BOMC's other operations, Cooking & Krafts Club spent $157,000 in magazines and newspapers; Dolphin Book Club spent $58,900 in magazines and Quality Paperback Book Service spent $242,300 in magazines and newspapers.

The *Washington Star*, the afternoon daily Time purchased in 1978, added several sections including A. M. Extra, an early morning edition and expanded the newspaper's promotion and circulation efforts. The paper placed $1,008,600 in spot tv and another $40,500 in magazines.

Time's video group had revenues of $299,000,000 and operating profits of $69,000,000. The group includes Home Box Office, which now serves over 4,000,000 homes, American Television & Communications Corp., the second largest cable tv company in the country which Time acquired last year, Time-Life Films, which produces tv and theatrical movies and WOTV, a tv station in Grand Rapids, Mich.

HBO, working with a $1,234,100 measured media budget, placed $1,045,300 in magazines and $149,900 in spot tv. Its Manhattan Cable TV spent $3,200 in magazines. HBO will introduce Cinemax, a fully programed second service this August, as pay tv tiers its offerings.

Eastex Packaging allocated $70,800 in magazines while Temple-Eastex spent $9,000 in magazines for general promotion.

Time Inc. in May made several key changes. J. Richard Munro was promoted from exec vp in a corporate operations office to chief executive officer and president, while Ralph P. Davidson, a vp and director, was named chairman. Clifford J. Grum, a vp and director, became an exec vp. They succeed Andrew Heiskell, who, at 65, relinquished his posts as chairman-ceo, and James R. Shepley, 63, who resigned as president but continues as chairman of the executive committee.

Last June, *People's* circulation promotion, billing $6,000,000, moved to Holland & Callaway from Young & Rubicam.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$ 6,273,400	$ 5,546,000
Magazines	27,243,100	23,391,000
Spot tv	38,240,900	23,190,700
Spot radio	638,800	993,700
Network tv	5,212,700	6,051,000
Network radio	1,390,200	—
Outdoor	43,500	22,100
Total measured	79,042,600	59,194,500
Unmeasured	23,317,400	17,153,500
Estimated total	102,360,000	76,348,000

MARKETING PERSONNEL

Time Inc. (Corporate Circulation)

Lawrence M. Crutcher, director
Robert P. Fisler, vp-promo director

Time

John A. Meyers, vp-publisher
Robert D. Sweeney, promo director
Seth Bidwell, mktg director
Richard W. Angle Jr., circ director
Donald Elliman, *Time* International circ director

People

Richard J. Durrell, vp-publisher
John P. Verdon, promo director
Eric Thorkilsen, circ director

Fortune

Edward Patrick Lenahan, vp-publisher
Howard Kaplan, promo director
Lucy Werner, circ director

Discover

Reginald K. Brack Jr., publisher
George Berger, promo director
William C. Taylor, circ director

ADVERTISING AGENCIES

Young & Rubicam, New York—*Time* (ad promo)—John McGarry, mgmt super; James Tyrell, acct exec; *Time* (Int'l circ) Y&R do Brasil—Charles deSilva, acct exec; *Fortune* (ad promo)—Fred Jackson, acct exec; *People* (ad promo)—John McGarry, mgmt super; Robert Boucher, coordinator; *Discover* (ad promo)—James Tyrell, acct exec; (circ promo) John McGarry; mgmt super; Ed Lebar, acct super; Garth Anderson, acct exec.

Wunderman, Ricotta & Kline, New York—*Time* (circ promo)—Richard Colligan, mgmt super; Steve Dapper, acct super; Mark Ally, acct exec, *Money*, *Fortune* (circ promo)—Richard Colligan, mgmt super; Steve Dapper, acct super; Maryanne Wagner, acct exec.

Holland & Callaway, New York—*People* (circ promo)—Ron Holland, mgmt super; Jim Callaway, acct super.

The Richards Group, Dallas—*Time* (circ promo)—Bill Bergman, acct super.

Fountain, Huie, Fish P[illegible] Ltd. (Australia)—(*Time International*, circulation)—Reg Fountain, mgmt director.

Money

John U. Crandell, publisher
Gil Kisch, promo director
Michael J. Klingensmith, circ director

ADVERTISING AGENCIES

John Emmerling Inc., New York—(ad promo)—John Emmerling, mgmt super.

The Richards Group, Dallas—circ promo)—Bill Bergman, acct super.

Life

Charles A. Whittingham, publisher
Gilbert Lesser, promo director
H. McLean Smith, circ director

ADVERTISING AGENCY

Geer, DuBois Inc., New York—(circ promo)—John Allen, acct super; (ad promo)—Doria Steedman, acct exec.

Sports Illustrated

Philip G. Howlett, publisher
Harry C. Rubicam, promo director
Robert McCoach, circ director

ADVERTISING AGENCIES

Ogilvy & Mather/2, New York—(ad promo)—John Kelly, acct super; Pieter Verbeck, creative director; Harvey Hirsch, media services director.

Wunderman, Ricotta & Kline, New York—(circ promo)—Richard Colligan, mgmt super; John Banner, acct exec.

The Richards Group, Dallas—(circ promo)—Bill Bergman, acct super.

Time-Life Books

Paul Stewart, vp-marketing director

ADVERTISING AGENCIES

A. Eicoff, Chicago—Ron Bliwas, acct super; Susan Thompson, media.

Eicoff & Lennard, New York—William Shambroom, acct super.

Rapp & Collins, New York—Charles Orlowski, acct exec; Mary Tchakirides, acct exec.

Wunderman, Ricotta & Kline, New York—Tom Knowlton, acct super; Worth Linen, acct exec.

Time-Life Films

Harvey Chertok, vp-promo & publicity
Bruce Barnet, sr vp-video
Dorothy Dunbar, adv & promo director, video

ADVERTISING AGENCIES

Roy H. Roth Co., New York—Roy Roth, mgmt super.

Bryant Studios, New York—Larry Skoura, acct super; Rudy Wurtz, acct exec.

Temple-Eastex Inc.

Joe K. Sample, vp-marketing (Temple)
Russ Chase, vp-sales (Eastex)
Alan Miller, director, public info

ADVERTISING AGENCIES

Ritchie, Hopson & Associates, Houston—Phil Biddison, acct super; Bill Hopson, acct exec.

McKone & Co., Fort Worth—Jim Barrow, acct exec.

Book-of-the-Month Club

Edward Fitzgerald, president

ADVERTISING AGENCIES

Lord, Geller, Federico, Einstein, New York—Gerald Roscoe, acct super; Dianne Keller, acct exec.

Wunderman, Ricotta & Kline, New York—Judith Liebman, acct super; Virginia Laura, asst acct exec.

Selling Areas-Marketing Inc. (SAMI)

John A. Watters, president
Alan B. Miller, vp-sales services

ADVERTISING AGENCY

Chalek, Dreyer, Comerford & Lubalin, New York—Harvey Dreyer, mgmt super.

Home Box Office

J. Robert Bedell, vp-marketing
Robert Caird, marketing director

ADVERTISING AGENCY

Ted Bates & Co., New York—Brian Gail, acct super.

Little, Brown & Co.

William A. Guthrie, adv-publicity director

ADVERTISING AGENCY

Franklin Spier Inc., New York—Ken Atkatz, acct exec.

The Washington Star

John Heyd, mktg director
Herb Beard, promo director

ADVERTISING AGENCY

Goldberg/Marchesano & Associates, Washington—Norman Goldberg, acct services mgr.

American Television & Communications Corp.

Trygve E. Myhren, exec vp
Jerry Maglio, vp-mktg

ADVERTISING AGENCY

Tracy-Locke, Denver—Anthony Brescia, acct super.

Inland Container Corp.

J.E. Cory, sr vp-sales/mktg
J.M. Areddy, vp-public affairs

ADVERTISING AGENCY

Caldwell-Van Riper Inc., Indianapolis—(Yellow Pages)—Bob Clark, mgmt super.

Toyota Motor Sales U.S.A.

	1979	1978
Sales†	$13,460,000,000	$12,760,000,000
Earnings†	109,148,000	120,442,000
Advertising‡	80,256,200	64,575,700

†Worldwide; 1978 figures restated; fiscal year ended June 30, 1980.
‡U.S. only.

Toyota Motor Sales U.S.A., Torrance, Cal., the 57th leading national advertiser, is estimated to have increased advertising 24% in 1979 to $80,256,200, following an increase of 31% in 1978.

The company is a subsidiary of Toyota Motor Co. and Toyota Motor Sales Ltd. of Japan which reported '79 worldwide sales of $13.46 billion, up over $12.76 billion for '78; earnings, however, were down from the 1978 total of $120,442,000 to $109,148,000, a decline the company attributed to higher income taxes.

In the U.S., which accounts for 21% of the company's exports, Toyota maintained its position in '79 as the best selling import car and truck. The Japanese auto maker continued the sales pace established four years ago when Toyota overtook Nissan's Datsun import for the No. 1 spot and sold 637,891 units in '79—507,816 cars and 130,075 trucks—to put its share of the import car market at 22.8%. The company ranks third in worldwide production behind General Motors and Ford and is followed by Nissan in fourth place.

The Corolla model again was Toyota's sales leader, accounting for more than 40% of the company's U.S. sales volume. But because of its big car image and lower gas mileage, Toyota's Celica models were slow movers and required the backing of a national network tv and newspaper campaign—"Toyota Time"—in late summer. Early this year the Southeast Toyota Dealers Assn. began offering $400 rebates on the Celicas and recorded a 200% increase in sales of the cars. The rebate program, however, was not nationwide.

The Corolla, first introduced in 1966, has carved a broad niche for itself among drivers both in Japan and overseas. In January, 1979, it became the first Japanese automobile to exceed the 7,000,000-unit mark in aggregate model production, and for four years in a row, from 1974, it held the impressive record of being the world's top production model. In Japan, it has been the best selling car for 10 years running from 1969.

Toyota continued its racing involvement with Pro/Celebrity Races for Charity at both the Toyota Grand Prix at Long Beach and the Toyota Grand Prix of the U.S. at Watkins Glen. Toyota also served as the official pace car at both races.

- Spot tv, newspapers and radio were used in major northeastern markets to support the company's full sponsorship of the Toyota Grand Prix of the U.S.

The company continued its sponsorship of stadium motocross events in '79. In addition to being the official truck of Team Yamaha, Kawasaki and Suzuki, Toyota also served as a primary sponsor of the $500,000 Toyota/AMA Supercross Series last year. The company also announced plans to enter the world of cowboys as a sponsor of several professional rodeos.

And, despite being headquartered on the West Coast, Toyota maintained its sponsorship of telecasts of New York Yankee baseball games in '79. The company also sponsored a series of 13 one-hour weekly radio shows.

The company stayed with its three-year-old "You asked for it, you got it, Toyota," ad theme last year, using the challenge, "If you can find a better built small car than a Toyota, buy it," as a backup theme. But going into '80, the ad theme was changed to "Oh, what a feeling, Toyota."

- At mid-year, a redesigned half-ton truck, a 4x4-pickup and a new, longer and more powerful Celica—the Supra—were added to the Toyota line. For 1980, Toyota's first-ever front-wheel drive vehicle, the Corolla Tercel, was introduced, and the standard rear-wheel drive Corolla models were completely redesigned.

The Tercel got the major share of Toyota's first-quarter spending in '80 with two commercials that featured the car's drivability in snow, its relatively low cost (base list price of $3,698), its ability to accommodate long-legged drivers and its high fuel efficiency (EPA ratings of 33 mpg for city and 43 mpg highway).

Toyota marketers plan to sell up to 120,000 Tercels this year—about 20% of the 600,000 vehicles the company is scheduled to ship to the U.S. in '80. Based on the enthusiastic reception given the Tercel in the U.S. market, it appears likely the company will be offering front-wheel drives on its other lines in the future.

Founded in 1937, the parent Toyota Motor Co. Ltd. today encompasses 12 subsidiaries bearing the name Toyota or Toyoda (the actual family name). Besides automotive products, the company manufactures machinery tools, fork lifts, spinning and weaving machines, prefabricated housing, cotton yarns, fabrics and synthetic yarns.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$ 8,487,500	$ 8,367,200
Magazines	9,817,000	8,943,100
Spot tv	25,539,200	20,195,900
Network tv	21,090,000	15,022,600
Spot radio	3,615,600	3,351,000
Network radio	658,100	——
Outdoor	1,548,800	1,195,900
Total measured	70,756,200	57,075,700
Unmeasured	9,500,000	7,500,000
Estimated total	80,256,200	64,575,700

MARKETING PERSONNEL

N. D. Lean, senior vp genl operations mgr
H. A. Bracken, natl sales mgr
A. E. Hagen, corp mktg mgr
E. B. Brogan, public affairs director
J. Press, natl adv mgr

ADVERTISING AGENCY

Dancer Fitzgerald Sample, Torrance, Cal.—Stuart Upson, chairman-chief exec; Norm Lauchner, managing director; Jim Lindsey, mgmt super.

TWA introduces Ambassador Class to Europe.
The number one airline to Europe takes care of you, while you take care of business.

TWA ad introduced European business service flights.

Trans World Corp.

	1979	1978
Sales	$4,334,000,000	$3,695,000,000
Earnings	34,200,000	92,500,000†
Advertising*	61,994,900	36,750,000

†Restated
***Estimated by AA**

Trans World Corp., New York, the 68th largest national advertiser, made a major thrust into the advertising arena in 1979, nearly doubling its ad budget to $61,994,900 in 1979, a 69% increase, which moved it from its 85th ranking position last year.

A television campaign for Trans World Airlines, a subsidiary of parent company Trans World Corp., ate up most of the advertising dollars. In 1978, spending for spot tv was $7,721,000 and network tv spending was negligible. But in 1979, spot tv spending soared 232% to $25,660,300, and the company put out $3,620,200 for network television advertising. The 1979 campaign marketed the airline's first major television promotion in a decade.

Despite the problems encountered by the airlines—many have suffered large profit losses because of skyrocketing fuel bills—TWA has so far remained committed to its tv campaign.

"It has been a real tough time, that's for sure," said a TWA official. "We're spending more dollars on advertising than ever, though. When times are tough, passengers become even more valuable, and we feel we need the advertising to keep them flying with TWA."

The campaign has focused on the theme "You're going to like us," and touts the airline's freight and passenger capabilities and service. It also emphasizes Airport Express, a program designed to speed check-in and secure connections and return flights at the departure gate.

All this represents the company's effort to reverse earnings losses. While Trans World Corp.'s other subsidiaries—Century 21 Real Estate, Hilton International, Spartan Food Systems and Canteen Corp.—fared well in 1979, the airline business fell apart. TWA, like many other airlines, was hard hit by rising fuel costs and a sluggish response from the Federal Aviation Administration to the airlines' need for fare increases to compensate.

TWA lost $27,200,000 in 1979 after making $35,100,000 in 1978. The picture for 1980 looks grim, with losses at the second quarter standing about $53,000,000. But the airline cut back unprofitable routes and laid off workers during 1979 as it saw the financial problems looming.

Company execs say there are some small signs that the cutbacks have begun to take hold, but there will be no immediate turnaround in the battle to regain profitability. In 1978, the airline made $33,100,000, setting up the 177.4% profitability drop in 1979.

The glum news from the airline was countered to some degree by good news from other sectors of Trans World. The best performer was Hilton International Co., which showed a 25% gain in earnings over 1978. The hotel chain made $55,500,000 in 1979.

Hilton did well despite having to get rid of the Tehran, Iran, Hilton and an over-all decline in Middle Eastern travel and hotel occupancy. But occupancy in other Hilton hotels in 1979 was 75%—higher than the previous year. In 1979, Hilton agreed to operate some Vista International hotels, including hotels in Kansas City, Washington and New York.

Spartan Food Systems, a new addition, made $9,900,000, a record for the group. Hardee's hamburger chain and Quincy's Family Steak House Inc. are part of Spartan.

Hardee's worked in 1979 to increase market share in the fast-food business by offering larger portions, cooking hamburgers with a char-broil method and offering a breakfast menu. The chain has opted to appeal to the 25-to-49-year-old age group rather than aim some advertising directly at children as Burger King and McDonald's have. Most of Hardee's chains are concentrated in North Carolina, South Carolina and Alabama. Trans World has opted to concentrate its marketing and advertising efforts in a smaller regional area and expand slowly from there.

Another facet of Trans World's food interests, Canteen Corp., showed a 20% increase in earnings in 1979, moving from $21,700,000 in 1978 to $26,000,000 the following year.

Century 21, another new addition to the Trans World stable, showed a 21% earnings increase in 1979. Although the housing market suffered through a slow period in late 1979 and is still soft, Century 21 has pursued an aggressive marketing and advertising program. About $20,000,000 was spent in 1979 on tv, radio and print advertising for the real estate chain.

During the past year, Century 21 became the first real estate company to run commercials on prime time tv. The company also provides advertising assistance to local and regional agents and offices.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$11,005,200	$11,224,400
Magazines	2,343,100	1,731,900
Spot tv	25,660,300	7,720,900
Network tv	3,620,200	——
Spot radio	2,863,600	553,100†
Network radio	533,100	——
Outdoor	144,400	54,600
Total measured	46,189,900	24,304,900
Unmeasured	15,805,000	13,195,100
Estimated total	61,994,900	37,500,000

†Restated

TRANS WORLD AIRLINES

MARKETING PERSONNEL

D.M. Casey, senior vp-mktg
W.D. Slattery, vp-domestic sales and service
B.J. Kennedy, vp-adv & sales
S.G. Long, vp-intl sales and service
L.S. Toulouse, staff vp-passenger mktg

ADVERTISING AGENCY

Ogilvy & Mather, New York—domestic/ international passenger services—Graham Phillips, mgmt rep; John Heston, intl mgmt super; Max Bisset, mgmt service super; Ira Berkowitz, vacation mktg super.

HILTON INTERNATIONAL CO.

MARKETING PERSONNEL

W.F. Prigge, vp-mktg
R.H. Braun, adv director
Fred Ruoff, director, corp communications
R.H. Treseder, adv mgr (London)
Peter Schulze, adv mgr (New York)

ADVERTISING AGENCY

Lord, Geller, Federico, Einstein, New York—Al DeJonge, acct exec.

York—Al DeJonge, acct exec.

CANTEEN CORP.

MARKETING PERSONNEL

P.S. Ridgeway, vp-mktg

ADVERTISING AGENCY

Martin E. Janis & Co., Chicago.

CENTURY 21 REAL ESTATE CORP.

MARKETING PERSONNEL

Clifford A. McKenzie, senior vp-mktg
William B. Moseley, vp-adv

ADVERTISING AGENCY

Wells, Rich, Greene/Townsend, Irvine, Cal.

SPARTAN FOOD SYSTEMS

MARKETING PERSONNEL

Loren M. Seager, vp-mktg

ADVERTISING AGENCIES

Benton & Bowles, New York.

Thompson, Torichia & Dymond, Charlotte, N.C.

Transamerica Corp.

	1979	1978
Sales	$4,044,647,000	$3,526,529,000
Earnings	240,202,000	209,705,000
Advertising	95,048,300	60,289,000

Transamerica Corp., San Francisco, the 48th largest national advertiser and new to the 100 leaders list, increased its advertising by 58% to $95,048,300 in 1979. That increase is almost totally accounted for by United Artists, the Transamerica subsidiary that spends considerably more than all of the company's other subsidiaries combined.

The total includes local newspaper spending by United Artists and others, a figure estimated at roughly $30,000,000. Also included are expenditures for trade magazines, extensive direct mail by Transamerica's insurance subsidiaries, production and talent costs, point of purchase and sales.

The San Francisco-based conglomerate reported consolidated revenues of $4.044 billion in 1979, a 15% increase over the $3.526 billion posted in 1978. Earnings from operations last year came to $240,202,000, a gain of 15% over the $209,705,000 earned in 1978. In addition, Transamerica earned $1,432,000 on foreign exchange and investment transactions, up 3% from the $1,395,000 earned from those sources the year before.

▪ The company's major lines of business include life insurance, which contributed 41% of Transamerica's revenues; property insurance, 18% of revenues; title insurance, 3% of revenues; financial services, 5%; transportation services, 11%; entertainment, 12%; manufacturing, 8%, and other 2%.

Entertainment services, the company's most visible division, slumped last year. Earnings fell roughly $2,000,000 to $26,600,000. The division, represented exclusively by United Artists Corp., accounts for the lion's share of Transamerica's advertising expenditures, and its share of the total budget is likely to increase in the coming years.

National promotion of movies is becoming commonplace with major film releases, and, in fact, UA attributes its sagging profits to the increased expense of such advertising. Last year, "Apocalypse Now," a film by Francis Ford Coppola, broke the $3,000,000 barrier, exclusive of newspaper spending.

Internationally, United Artists spent a total of $76,000,000 in 1979, most of it going into newspapers, network tv and spot tv. In 1978, United Artists spent $51,700,000.

United Artists finances film production and distributes films financed by others. The company is also extremely active in licensing films to network television and, last year, claimed a stake in the promising videotape and videodisc fields. An agreement was signed with Video Corp. of America for rental of selected UA films on videocassette in 1979, and, in early 1980, UA announced a partnership with RCA to license 100 UA films for RCA's SelectaVision videodisc.

▪ Among the releases produced or distributed by United Artists last year were: "Rocky II," "Moonraker," "Manhattan," "Apocalypse Now," "Hair," "The Great Train Robbery," "The Lord of the Rings," "Revenge of the Pink Panther," "Invasion of the Body Snatchers," and "The Champ."

Transamerica's travel services division consists primarily of Transamerica Airlines and Budget Rent A Car. The airline operates principally charter flights, but it is exploiting recent authorization for scheduled service. During 1979, Transamerica Airlines inaugurated scheduled services from Los Angeles and New York to Shannon and Amsterdam. The airline has won approval for several other scheduled routes but has not yet exercised its right to fly them.

Spending for Transamerica Airlines rose last year from $1,100,000 in 1978 to $1,500,000 in 1979. Much of the airline's small consumer media budget promoted the Transamerica name, new last year. The airline had previously been known as Trans International Airlines.

Budget Rent A Car, the third largest car rental concern internationally and the fourth largest in the U.S., reported record profits last year. Thin gas supplies in the summer of 1979 worked to the advantage of most car renters as motorists flocked to rent the full tank of fuel supplied with each car. The company also realized $8,800,000 from the favorable settlement of past litigation. Budget had charged Hertz, Avis and National—the three leading car renters—with conspiracy to restrain trade at airports.

▪ Budget also took on Hertz Corp., the RCA subsidiary that leads the market, in a new ad campaign from McCann-Erickson. Playing off Hertz' reference to itself as No. 1, Budget fielded the theme, "At Budget . . . you're number one."

The new theme accounted for much of the increase in Budget's spending. The company spent $10,400,000 in 1979, up from $7,900,000 the year before.

Transamerica entered a new transportation business last year through the acquisition of Interway Corp. in July, 1979. Transamerica Interway, the company's new name, leases piggyback trailers, cargo containers, and over-the-road trailers. Last year, it contributed 2% to the parent company's revenues and 4% to operating earnings.

By far the most significant segment of Transamerica's business is its insurance operations. Life insurance, represented primarily by Occidental Life Insurance Co., racked up operating income of $84,000,000 last year on revenue of $1.641 billion. Occidental launched a magazine campaign last year, via Dailey & Associates, Los Angeles, stressing physical fitness. The company also sharpened its focus on the women's market by continuing to schedule inserts for "no-frills insurance" in women's magazines.

▪ Property and casualty insurance, represented by the Transamerica Insurance Group, rose 23% to operating income of $53,600,000 on revenue of $732,800,000. The group, consisting of Transamerica Insurance Co., Wolverine, Riverside, Premier and Automotive Cos., increased its personal lines offerings last year under the Transurance banner. New policies for homeowners and boat owners broadened the personal insurance line, and the introduction of Transplan II complemented its line of commercial packages.

Transamerica Title Insurance Co.'s operating income fell 1% to $11,500,000 in 1979 due to adverse conditions in real estate.

Transamerica Financial Corp., concerned for the most part with making consumer loans and Transamerica Delaval, the heavy-equipment manufacturing subsidiary, both turned in strong years. The finance subsidiary's operating income rose 17% to $21,700,000, and Delaval's operating income was up 10% to $29,700,000.

International operations figure importantly in Transamerica's bottom line, as well as its advertising expenditures. The extensive involvement of United Artists and Budget Rent A Car in overseas markets added roughly $25,000,000 to the company's total ad budget, boosting worldwide spending to $119,808,000. In 1978, Transamerica's worldwide ad spending came to $76,314,000.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$1,137,800	$ —
Magazines	1,779,300	1,872,400
Spot tv	8,943,600	8,199,600
Network tv	16,020,100	7,208,300
Spot radio	240,300	—
Network radio	487,800	—
Outdoor	181,000	60,700
Total measured	28,789,900	17,341,000
Unmeasured	66,258,400	42,948,000
Estimated total	95,048,300	60,289,000

UAL Inc.

	1979	1978
Sales	$3,831,523,000	$4,015,412,000
Earnings	(72,814,000)	102,255,000
Advertising*	52,461,900	50,624,437

(loss)
***AA estimate**

UAL Inc., Elk Grove Township, Ill., the nation's 77th largest advertiser, increased its ad budget by 3.6% in 1979 to $52,461,900.

UAL Inc., is a holding company composed of three main units—United Airlines, the nation's largest carrier; Western International Hotels, Seattle-based hotel management company, and GAB Business Services, New York, insurance claims adjusting company.

Unlike 1978 when UAL Inc. net earnings soared 124%, the company reported a 1979 net consolidated loss of $72,814,000—a 76% drop—in its worst financial year ever. The airlines' $99,583,000 net loss composed the bulk of the red ink. Western International Hotels and GAB Business Services prospered in 1979 with record earnings, but that fact offered little solace to the company that had racked up record earnings in the previous year.

▪ In what turned out to be a highly eventful and unusual year for the airline industry, United Airlines was one of the hardest hit. A 58-day mechanics strike, coupled with the end of the airline industry's mutual aid pact which provided operating funds during walk-outs, dealt the carrier a financial body blow.

The 38-day federal grounding of all DC-10s for safety inspections—including 37 operated by United—soon after the strike's settlement took a large percentage of United's available seats out of circulation. Rapidly rising fuel costs—78% higher in December than in January, 1979—plagued United. Add to that, severe winter weather which caused an unprecedented number of closings in major United markets as well as significant price discounting and the company's bleak financial picture in 1979 becomes clearer.

Last year's problems persisted in the first half of 1980. The general downturn in the economy hit United in business and leisure travel markets. Jet fuel prices continued their spiral. Competition, fiercer than ever due to deregulation, caused price cutting and promotion on transcontinental routes, and in new markets such as Florida, which United entered from Chicago and Denver.

▪ United, long an advocate of deregulation, was granted broad authority to increase fares without Civil Aeronautics Board approval and took advantage of it to cover rising costs. The carrier raised the majority of its fares by 41% between the beginning of the first quarter 1979 to the end of the first quarter 1980.

When United's successful half-fare coupon program expired in December, 1979, the industry carefully watched and waited for more unusual promotions. As it turned out, 1979 and the first half of 1980 proved to be the year of the fare. Although the number of seats were limited, super savers continued. Discounts were offered according to the length of the flight. Targeted special fares and promotions surfaced on new Florida routes and old established United routes such as Chicago to Seattle, which American Airlines invaded in June, 1980. The carrier did not match TWA's "Kids Fly Free" campaign, however.

▪ United followed the summer coupon push with its "Magnificent Men In Their Flying Machines" campaign. The spots, featuring Tom Poston as spokesman, emphasized discount fares and promoted wide-bodies. Leo Burnett Co., Chicago, handles.

But United caught competitors off-guard once again with its April Take-Off game—a scratch-card sweepstakes that first called for 10,000 free round-trip tickets to be given away. Designed to lure passengers back into the skies, American and TWA quickly entered the sweepstakes fray with games of their own. In the end, United extended its game to match the competition and gave away more than 15,000 free trips, pouring about $3,500,000 into media support.

▪ Perhaps the biggest competitive scramble occurred on transcontinental routes with Eastern Airlines' June entry from New York to Los Angeles and San Francisco—prime United territory. Although United execs denounced the price cutting begun by Eastern, the carrier kept up step for step with Eastern's $195 guaranteed one-way fare, and later, its $99 fare. In addition, United introduced and advertised complete wide-body service on transcontinental flights from several East Coast locations.

Following the Take-Off game, United adopted a back-to-basics approach with its "That's What Friendly Skies Are All About" campaign. The $6,000,000 national umbrella campagin featured 60-second spots and emphasized the carrier's image as an airline that "brings people to people." Under the umbrella, newspaper ads concentrated on fares, destinations and service.

▪ United created a flap among travel agents when it proposed a flat fee payment concept to replace percentage-based commission rates. The carrier's original plan suggested that travel agents receive an $8.50 fee regardless of distance or fares.

United, which expected other airlines to follow suit, instead found itself alone while competitors stuck with percentage-based commissions. Some even sweetened the commission plans with special overrides and payments. After several attempts to modify the concept and mollify agents, United retrenched and announced it would stick with more traditional forms of commissions for competitive reasons.

After two years of study, United made the last of a series of sweeping changes in its route structure. In order to conserve fuel, United cut service in short-haul markets such as Modesto and Stockton, Cal., and Muskegon, Mich., and emphasized long-haul routes. Average route lengths increased 17% to 900 miles.

New routes included nonstops from Pittsburgh to the west, Seattle and Portland to Hawaii. The airlines established hubs at both Kansas City and Memphis with banks of connecting flights eastbound and westbound. It offered new nonstop service on 16 routes.

▪ United continued its fuel efficiency push during the year. By summer, 1980, it expected to receive the last of 76 Boeing 727-200As that it started phasing in two years ago. Also, the carrier added five new DC-10s. It announced intentions to put the first of 30 new Boeing 767 wide-bodies into service in 1982.

Despite the push, lagging business forced the airline to lay off service personnel. During the year, United cut 2,000, or 3.7% of its 54,000 employes. Additionally, the airline announced that it would lay off 800 flight attendants by September, 1980, and 360 pilots by the end of 1980 due to fall service cutbacks.

Of United's advertising in 1979, $11,296,000 went into newspaper, $7,344,000 to network television, $10,709,000 to spot television and $3,288,000 into magazines.

Western International Hotels had its third consecutive record year in 1979 as demand kept up for the company's corporate and resort hotels and occupancy rates reached 81.3%. Net earnings totaled $22,550,000—$8,000,000 higher than 1978. Operating revenues were up 16% to $383,740,000, from $330,231,000 in 1978. The chain now numbers 55 hotels in 15 countries.

Of Western International's advertising, ADVERTISING AGE estimates $4,000,000 went into newspaper, $1,961,900 to magazines and $500,000 on spot tv. Last year's AA estimate did not include newspaper spending.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$15,296,000	$13,363,700
Magazines	5,249,900	4,391,300
Spot tv	11,209,000	8,379,100
Network tv	7,344,000	9,401,500
Spot radio	4,132,000	3,740,900
Outdoor	465,000	250,200
Total measured	43,695,900	39,526,700
Unmeasured	8,766,000	11,097,737†
Estimated total	52,461,900	50,624,437*

*** AA Estimate**
†Last year's estimate did not include Western International Hotels newspaper spending.

ADVERTISING EXPENDITURES**

	1979
Newspapers	$13,315,500
Magazines	4,517,600
Spot tv	8,742,800
Network tv	6,898,400
Spot radio	5,323,200
Outdoor	207,400
Total measured	39,004,900

****From AA's usual sources**

MARKETING PERSONNEL

United Airlines

W.C. Speicher, group vp-mktg services
J.R. Zeeman, vp-passenger mktg
J.C. Blackman, vp-genl sales mgr
P.G. Golbitz, vp-intl sales

Western International Hotels

B.H. McKibbin, senior vp
D.R. Evans, vp
B. Newman, vp
U. Schwartz, vp

GAB Business Services

R.H. Hopkins, vp-mktg

ADVERTISING PERSONNEL

United Airlines

F.W. Heckel, vp-adv & promo
W.F. Alenson, director-adv & promo
A.E. Sortwell, mgr, adv-eastern div
W.D. Groundwater, mgr, adv-central div
L.A. Small,mgr, adv-western div
J.P. Grember, mgr, special projects
R.J. Piggot, mgr, graphic services
L.E. Brenne, mgr, trade and special interests

Western International Hotels

R.D. LaRue, director, adv & pr
Barbara Sand, adv mgr

GAB Business Services

J.J. Nigro, secretary, mgr mktg support

ADVERTISING AGENCIES

Leo Burnett Co., Chicago—United Airlines—Dave Smith, mgmt director; Jim Thompson, acct super; Jim Dotter, John

Goad, John Phillips, acct directors; Dave Hegen, Dick Treat, Dave Palmer, acct execs.

Cole & Weber, Seattle—Western International Hotels—Lee Bartlett, vice-chairman; Sharon Lee, Mary Rae Bruns, acct mgrs.

Doremus & Co., New York—GAB Business Services.

Unilever U.S.

	1979	1978
Sales........	$2,124,000,000	$1,812,000,000
Earnings	63,690,000	36,000,000*
Advertising†	160,000,000	145,000,000

*Includes earnings of National Starch from Aug. 14 acquisition date through year end.
†AA estimate.

Unilever's U.S. subsidiary, Unilever U.S., which includes Lever Bros., Thomas J. Lipton and National Starch & Chemical, was the 23rd largest national advertiser in 1979 with estimated ad spending of $160,000,000, up 10% over 1978 spending.

Combined sales of the three companies totaled $2.124 billion and earnings totaled $63,690,000. Earnings for 1978 included results of National Starch only from Aug. 15, the date of the acquisition through year end.

Lever had sales of $951,500,000 in 1979, up $91,000,000. The company suffered a loss for the second consecutive year. For 1979, the figure was $6,800,000, down from the $11,000,000 loss in 1978.

Measured media spending for Lever totaled $115,000,000. During 1979, Lever underwent a reorganization that began when Thomas S. Carroll retired as president, and Michael R. Angus became chairman and chief executive officer. Lever was decentralized into three operating units; household products, personal products and food. Each unit operates separately, has its own president and considerable independence. The move was designed to make the company more profitable and better able to define and eliminate businesses that fail to meet certain profit objectives.

▪ The household products division is Lever's largest business unit. In 1979 the division showed a substantial sales increase, but had a slight decline in operating profits from 1978 because of higher costs of freight, fats and oils.

Wisk laundry detergent, the largest selling brand in Lever history, again sold over 10,000,000 cases and maintained its position as the nation's No. 1 heavy-duty liquid laundry detergent. Wisk was the product that received the greatest ad support in this division, nearly $11,000,000, all of which was spent on tv.

"Concentrated" All, Lever's second largest brand and longtime leader among low-sudsing detergents, had new packaging in 1979 and a strong tv commercial going head-to-head with "the leading powder." All powdered detergent received $8,608,300 in ad expenditures, up by $500,000 over 1978, while the budget for All liquid detergent practically disappeared to nothing from slightly over $1,000,000 in 1978.

In the toilet bar category, Dove, Caress and Lifebuoy held their share of the market. Dove was the leading spender with $6,754,800, and Caress followed with $4,186,500. Both brands divided their budgets between tv and magazines, with tv getting most of the money. These were substantial increases over 1978. Dove was up by about $1,700,000, Caress by $1,000,000 and Lifebuoy by about $800,000.

"I don't use soap. I use Caress."
Caress
Caress with bath oil.
For the soft you can't get from soap.

Lever Bros. ad for Caress emphasizes that the product is not a soap but a body bar with bath oil.

▪ Final Touch fabric conditioner and Dishwasher All dishwashing compound both showed good sales progress in these two important growth product areas.

Lever introduced two new products in test market in 1979—Shield, an extra strength deodorant soap, and Sunlight, a light-duty dishwashing liquid.

For the sixth consecutive year, the personal products unit recorded record sales over the previous year. The unit showed an operating profit even after the costly national introduction of Lever's new Denim line of men's fragrances and toiletries. The Denim line fell below expectations in distribution and volume. The effort was supported by ad expenditures of $2,140,500.

Lever dentifrices—Aim, Close-up and Pepsodent—lost minimal over-all share but retained Lever's No. 2 position ahead of Colgate. Aim toothpaste was the Lever product with the largest ad budget, $15,319,600. Tv got $14,502,900 while magazines and newspapers received the rest.

The Pepsodent toothbrush line maintained its No. 1 position with increased sales, with a budget of $152,000 all in magazines.

Signal mouthwash, launched in 1978, grew in volume and share of market in the face of severe competition. A 40-oz. size bowed in April. Signal received ad expenditures of $8,173,100, almost all of which was spent on television. A new product, Body by the Numbers shampoo, entered test market in August, 1979.

Sales for Lever's food unit grew in 1979, although sales dropped for Imperial margarine which met with price resistance. According to Lever, Promise continued to grow after its "restaging" with new packaging and advertising in 1978.

▪ Promise was supported by a budget of $1,906,400, about $200,000 more than 1978. Autumn, a 100% "natural" margarine, was successfully expanded from its Los Angeles test market into San Francisco and Portland, supported by an increased budget.

Ad support for Imperial margarines continued to decline from $5,472,800 in 1978 to $3,759,500 in 1979.

Mrs. Butterworth's syrup had a good year and climbed into the No. 2 position ahead of Aunt Jemima. The Mrs. Butterworth's name was added to a new pancake mix, which entered test market in Nashville in December. Excellent trade acceptance was reported. The Mrs. Butterworth's syrup budget was $3,332,800, up over 1978 by $800,000.

Another new product, Mr. Marinade, a preblended marinade in three flavors, tested in the Northeast.

▪ Lipton had sales of $698,000,000 in 1979, compared with $617,000,000 in 1978 and net income of $38,500,000, up from $35,500,000. Lawry's Foods, the developer, manufacturer and seller of a general line of specialty food products, joined Lipton through acquisition. The total Lipton measured media budget for 1979 was $32,000,000.

Sales of Lipton's original product, packaged tea, continued to decline, though at a slower rate. Tea bags were budgeted at $5,673,400, with all but $600,000—which went to magazines—going to tv.

Lipton's Filter Blend tea, introduced in 1977, was still looking for its market. Filter Blend tea is designed to be brewed in automatic coffee pots, and received $18,900 in spot tv, a considerable comedown from the $180,700 allocated in 1978.

Lipton flavored teas, tested in 1978, won consumer acceptance and became the leader in this new market. Flavored teas tend to do well in areas where traditional tea has not. The total media budget in 1979 was $2,966,400, up from test market spending of $637,000. The budget was heavy in magazine expenditures, with $1,308,700, slightly above the $1,178,300 spent on network tv.

▪ Convenience teas enjoyed a strong year in 1979. Sales growth for sugared iced tea mix outpaced the major competitor; low-calorie iced tea mix rebounded from a lean previous year, and Lipton instant iced tea gained some market share in a tough market that saw a slight decline in sales.

Lipton instant tea had a budget of $609,900 for 1979, all of it in network and spot tv. Lipton iced tea mix had a budget of $1,612,800 on tv.

Promotion played an important part in the marketing of convenience teas. The Lipton World of Doubles was promoted in *Tennis World* and Lipton was the official supplier of tea to the 1980 Winter Olympics at Lake Placid, N.Y. Lipton also spent $54,900 on magazines to promote Lipton instant tea with Minute Maid frozen lemon juice, and $145,000 on magazines to promote Lipton instant tea with Sweet & Low sugar substitute.

▪ Lipton's entry into the lucrative powdered drink market, Lemon Tree, held its own in a field of aggressive and expensive competition. The Lemon Tree budget was $4,671,100, the second largest product by budget in the Lipton lineup. Most of the budget went to network tv.

The soup market, Lipton's second major area of concentration, consists of canned, dry mix and single serving dry mix products. Heaviest spending went into Lipton Cup-A-Soup with $2,897,600, Lipton Lite-Lunch Instant Meal In A Mug with $2,877,500, and Lipton soup mixes with $3,717,100.

Lipton soup mix led the market in 1979, as did Cup-A-Soup against stiff competition from Nestle's Souptime. Lite-Lunch completed national expansion during 1979.

Lipton's other major product, Wish-Bone salad dressings, increased sales in 1979, supported by ad expenditures of close to $4,000,000.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers.....	$ 1,578,300	$ 3,982,200
Magazines	15,207,200	11,322,600
Spot tv	40,282,600	39,137,400
Network tv	71,709,100	60,507,900
Spot radio	427,000	522,300
Outdoor	244,400	48,800
Total measured	129,448,600	115,521,200
Unmeasured...	30,551,400	29,478,800
Estimated total	160,000,000	145,000,000

LEVER BROS. CO.

MARKETING PERSONNEL

Richard C. Butler, director, media group
Seymour (Zish) Molbegott, promo devel director
Robert J. Kenney, genl sales mgr-operations and planning
Edward L. Kiefhaber, genl sales mgr-field sales

HOUSEHOLD PRODUCTS DIVISION

John R. Cookson, president
Arthur C. Unger, vp-mktg
Robert A. O. Davidson, mktg mgr
Adrian DeGroot, mktg services mgr
Richard F. Gaccione, mktg mgr
John R. Speirs, mktg mgr
George J. Fra[illegible] Jr., director of sales planning
Gloria B. Deragon, mktg-rsch director

FOODS DIVISION

William G. Pietersen, president
John S. Budd, vp
Henry M. Picken Jr., director of mktg
Whitney J. Coombs, mktg mgr
Joseph W. Wells Jr., mktg mgr
Geraldine Russo, mktg rsch director

SPECIAL MARKETS DIVISION

John J. Clark, vp
Richard H. Schaefer, merch mgr
William M. Kirkpatrick, sales mgr

INDUSTRIAL DIVISION

Conrad W. Petersen, genl mgr
James J. Reilly, sales mgr—detergents & toiletries
Joseph P. Kysel, sales mgr—chemical & edible
William C. Schneider, detergent prods mgr
Anthony F. Del Balso, sales mgr—government accounts

PERSONAL PRODUCTS DIVISION

Gregory H. Cheskin, president
Robert P. Johnson, director of mktg
Donald E. Karlson, mktg mgr
Carl J. Napor, mktg mgr
David O. Williams, mktg mgr
Patrick J. Peters Jr., director of sales planning
Ian M. Lewis, mktg rsch director

ADVERTISING AGENCIES

J. Walter Thompson Co., New York—Close-Up, Denim, new prods—Ken Ash, mgmt super; Steve Bowen, group acct director; Drive, Dove, Lux bar soap, Shield—Rick Pilsbury, mgmt super.

Lavey/Wolff/Swift, New York—professional programs Aim, Signal—John Swift, pres; Ken Lavey, exec vp.

Ogilvy & Mather, New York—Aim, Dove, Final Touch, Imperial margarine—Cliff Angers, senior vp-mgmt super. Aim—Jack Reed, mgmt super; Penny Bernstein, acct super; John Gareffa, acct exec; Cathy Foley, asst acct exec. Dove—Gary Walden, mgmt super; Diane Courtney, acct super; Gerry Lantz, acct exec. Final Touch—John Amar, mgmt super; Mary Summa, acct exec. Imperial margarine—John Amar, mgmt super; Mary Ellen Kiselick, acct super; Martha Stair, acct exec.

SSC&B, New York—All, Lifebuoy, Pepsodent, Concentrated All, Liquid All—Spencer Plavoukos, mgmt super; John van der Kieft, acct super; Bruce Kravetz, acct exec. Dishwasher All, Lifebuoy—Spencer Plavoukos, mgmt super; Hal Henenson, acct super; Tom McGuire, acct exec. Pepsodent—Richard Ellington, mgmt super; Pat Price, acct super; Len Luchetti, acct exec.

BBDO, New York—Caress, Lux liquid, Promise, Breeze, Phase III, Signal, Wisk, Mrs. Butterworth's, new products, Signal—Dick Barnette, mgmt super. Mrs. Butterworth's—John Dunning, mgmt super; William Akin, acct super; Wisk—William Akin, acct super; Lux, Breeze, Promise, Phase III—Ken Rogers, mgmt super; Carol Good, acct super; new products—John Dunning, acct super.

National Export Advertising Service, New York—Aim, All, Dishwasher All, Breeze, Mrs. Butterworth's, Caress, Close-Up, Denim, Dove liquid, Dove bar, Final Touch, Imperial, Lifebuoy, Lux liquid, Lux beauty soap, Rexona, Rinso, Wisk and Armed Forces advertising—Thomas W. Hughes, president; Claudine Waterbury, vp-secretary, Walter Kelly, vp-radio/tv director.

Richard Lewis Corp., Scarsdale, N.Y.—all industrial advertising—Dick Byer, acct exec.

THOMAS J. LIPTON INC.

MARKETING PERSONNEL

D. W. von Arx, senior vp-mktg
Derek J. Carroll, vp-mktg services
G. V. Boycks, vp-beverage div
Jim Benson, vp-food div
Anthony Montuori, director-prod mgmt, desserts/condiments
Arthur Gonis, director-prod mgmt/tea
Theodore Labiner, director-prod mgmt, foods/pasta
Dave Bell, director-prod mgmt, soups/meals
Dan Morrison, director-prod mgmt, new beverages
Norman Osborn, director-media
H. F. Anderson, director-adv
J. E. Bradley, director-mktg rsch
Blaine Hess, genl mgr-frozen foods
Tony Franke, director-food service prods
Rick Kundrat, director-sales promo & coordination
Al Carlson, director-new prods, food

ADVERTISING AGENCIES

Young & Rubicam, New York—regular instant soups—Jim Cobb, mgmt super; John MacLeod, acct super; Kathy Schneider, acct exec.

SSC&B, New York—Lemon Tree, Lipton tea beverages, Cup-a-Soup—Ned Parker, senior vp-mgmt super; regular tea prods—Karen Tatum, vp-acct super; Kathy Frankel, acct exec. Convenience teas—Beth Green, acct super; Maggie McQuown, acct exec. Flavored teas—Rick Weber, acct super; Mark Robinson, acct exec; Diane Anton, acct exec.

Lee King & Partners, Chicago—Wish-Bone dressings, Pennsylvania Dutch egg noodles, Knox gelatin—Joseph Lapcewich, mgmt super; Britt Tilbertz, Henry Barker, acct supers; Michael Puican, Joseph Felbab, acct execs.

Della Femina, Travisano & Partners, New York—herbal teas—Bruce Johnson, mgmt super; Barbara Alpert, acct super.

Albert Jay Rosenthal, Chicago—Good Humor ice cream—Paul Spector, acct super; Michelle Tucker, acct coordinator.

Ross Roy New York/Compton—A. Sahadi & Co. div—Grocer's Choice fruit snack—Herb Warden, mgmt super.

LAWRY'S FOODS
Los Angeles

MARKETING PERSONNEL

Dan Wayne, mktg mgr

ADVERTISING AGENCY

Dailey & Associates, Los Angeles—Lawry's foods and restaurants—Steve Chabre, mgmt super; Ron Reiter, acct super; Andy Bielanski, acct exec.

NATIONAL STARCH & CHEMICAL GROUP
Bridgewater, N.J.

MARKETING PERSONNEL

Robert De Wolfe, vp National Adhesives

ADVERTISING AGENCY

Marsteller Inc., New York—National Starch & Chemical Corp.'s foods, starches, adhesives and flavorings—Dan Bennett, mgmt super; Jim White, Bernie Berch, acct supers; Mike Vana, acct exec.

Union Carbide

	1979	1978
Sales*	$9,176,500,000	$7,869,700,000
Earnings*	556,200,000	394,300,000
Advertising†	55,100,000	51,100,000

* Worldwide
† U.S. only

Union Carbide Corp., New York, the 74th largest national advertiser, increased its advertising 7.8% to $55,100,000 in 1979, and continued to hold the top market share for its three principal consumer products—Eveready batteries, Glad plastic bags and Prestone antifreeze.

Sales worldwide hit a record $9,176,500,000, up 17% from 1978, with U.S. sales comprising 70% of that figure. Earnings were up 41% (after an increase of only 2% in 1978), to $556,200,000. Sales of consumer products rose 17.9% to $1,599,000,000, while earnings rose 9.6% (down from 22% in '78) to $195,000,000.

Union Carbide manufactures chemicals and plastics (37% of 1979 sales and 37% of income); gases and related products (16% and 15%); metals and carbons (19% and 25%); batteries, home and automotive products (17% and 18%), and specialty products (11% and 5%). International operations accounted for 30% of sales and 30% of operating profit in 1979.

While Union Carbide is the third largest producer of chemicals in the U.S., it is known to the consumer primarily through Prestone automotive products; Glad plastic bags and wrap; Eveready batteries, flashlights and lamps, and Simoniz car waxes and polishes.

Last year, Union Carbide spent 80.6% of its measured ad dollars in tv, with printed media getting 18.1% and radio 1.3%. In 1978, 64% went into tv, with 28% going into print.

For the second year in a row, the Eveready product line outspent the Glad line, making it Union Carbide's No. 1 ad spender. Ad support for the battery brand was $10,700,000 (89% in tv, 10% in print), up 17.4% from 1978.

In 1979 the company continued heavy ad support behind the successful Eveready Alkaline Power Cell campaign. Advertising featured the use of Eveready Alkaline batteries in a variety of devices, with actor Robert Conrad telling the consumer, "This is no regular battery." Heavy network tv was supplemented by spot tv and radio in selected markets, and a national $1 cash refund offer went to over 33,000,000 homes via Sunday supplements in November. Early this year, Eveready Energizer alkaline batteries ("Energized for life-long life") were introduced nationwide.

Eveready flashlight batteries received a pre- and post-Christmas boost with a network tv campaign for battery use in toys and flashlights. Eveready's agency is William Esty, New York.

Glad plastic bags got over $9,000,000 in measured ad support (virtually all in tv), up 30% from 1978. A new national Glad tv campaign was launched last fall, featuring Tom Bosley, from tv's "Happy Days," as spokesman for the entire Glad line. Ads describe the strength and puncture resistance of Glad trash bags and the freshness of sandwiches packed in Glad sandwich bags. A Glad Value Weight trash bag was tested last December in Denver, with Mr. Bosley pointing out that "it takes less energy to make them so they're priced right." Leo Burnett, Chicago, handles Glad advertising.

Prestone automotive products received over $4,000,000 in measured ad support last year, up 37% over '78 spending. Once again, Union Carbide launched its Prestone antifreeze tv campaign to coincide with the start of fall sports programing.

▪ Ads continued to stress the importance of a fresh fill of Prestone II antifreeze and told consumers "not to trust their luck . . . or the weather . . . but to put their trust in Prestone anti-freeze." The pervasive theme was "More people trust Prestone than all other brands combined." Prestone II, the market leader for 52 years, presently holds 61% of the antifreeze market.

Prestone Super Flush, introduced in 1978 and packaged in miniature Prestone jugs, continued to be supported with television tags on Prestone commercials. Leo Burnett also handles Prestone advertising.

Union Carbide repackaged and reformulated its Gas Miser additive last fall, with plans to go national this year. Ads by Avrett, Free & Fischer, New York, appearing in auto industry periodicals, focused on squeezing more mileage "out of every drop of gas." However, the company is not planning to position the product as a miracle gas extender, but as a product designed for "total engine maintenance." The budget is expected to be in the multi-million-dollar category.

▪ The Simonize line of car waxes was supported by measured media dollars totaling $3,151,400 (almost all in network tv), up dramatically from the $700,000 spent in 1978. Simonize successfully introduced a new line of premium liquid and paste car waxes under the brand name "Simonize Shines Like the Sun," and supported it with heavy tv and magazine advertising. Avrett, Free & Fischer was named the new Simonize agency in March, 1979.

Union Carbide general promotion got $119,000, all in magazines, to support its "issues" campaign. The ads feature original opinion research commissioned by the company as part of its attempt to get involved in the ongoing dialogs on issues important to business and the nation as a whole.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$2,401,600	$2,064,900
Magazines	956,300	3,614,300
Farm publication	2,059,400	1,706,000
Spot tv	1,676,200	1,533,300
Network tv	22,415,800	15,601,100
Spot radio	383,000	1,458,000
Network radio	—	447,400
Outdoor	600	243,600
Total measured	29,892,900	26,668,900
Unmeasured*	25,207,100	24,431,100
Total	55,100,000	51,100,000

* Includes cost of collateral literature, inhouse staffing and communications overhead.

MARKETING PERSONNEL

Corporate

M. C. Lewis, director corp communications
E. S. Aldrich, adv mgr
R. L. McElree, genl mgr, mkt & special services

Divisions

W. J. McDermott, director, adv/sales promo, home & automotive products div
G. D. Klein, mktg, mgr, adv, battery products div
J. A. Bruorton mgr, adv & mktg admin, electronics div, components dept
B. Godowsky, mgr, adv, U.C. Imaging Systems, medical products div
Athena N. Arvan, adv services, clinical diagnostics medical products div
R. A. Killeffer, mgr, communications, silicones & urethane intermediates div
John Gibb, mgr, communications & training, carbon products div
J. D. Secor Jr., mgr, communications, Linde div
J. A. Ring, communications mgr, specialty chemicals & plastics div (specialty chemicals & polymers)
P. J. Lavelle, communications mgr, specialty chemicals & plastics div (engineering plastics)
W. E. Mainella, mgr, communications, coatings materials div
N. E. Stuessy, mgr, communications, ethylene oxide derivatives div
J. A. Moore, mgr, communications, ethylene oxide/glycol div
James F. Haskins, mgr, mktg communications, agricultural products
John Crane, communications mgr, metals div

ADVERTISING AGENCIES

Young & Rubicam, New York—corporate—H. B. Hall, acct super.

Underwood Jordan Yulish Associates, New York—corporate issues—Earl Slack, acct super.

William Esty Co., New York—battery & lighting products—R. Van Den Bosch, mgmt super, W. Beebe, J. Auld, S. Moynahan, acct supers.

Compton, New York—carbon products div.

Grey Medical Advertising, New York—medical products div—Paul Chusid, president.

Fletcher/Mayo Associates, Atlanta—agricultural products div (insecticides)—Ridge White, acct super.

Needham, Harper & Steers, New York—chemicals & plastics—H.F. Bertaku, acct super.

Poppe Tyson division of D'Arcy-MacManus & Masius, New York—chemicals, plastics & Linde div engineering products & processers—R. L. Parkin, F. Messner, Howard Gauvain, acct execs.

J. P. Hogan Inc., Knoxville, Tenn.—chemicals and plastics—R. J. Luedeka, acct super.

Leo Burnett Co., Chicago—home & automotive products: films-packaging div—Bill Haljun, mgmt director; Glad products—Ed Sessions, vp acct super, Diane Meister, acct exec; Prestone automotive products—Jeff Herscovitz, acct super;Tom Dudreck, acct exec.

Young & Rubicam special markets div., New York—Linde div—N. B. Leo, acct super; D. Sutton, acct exec.

Garrison Jasper, Rose & Co., Indianapolis—Linde div, coatings service, cryogenic products—Tom Jasper, Jim Gray acct execs.

Avrett, Free, & Fischer, New York—home & automotive products, Simonize products—Ed Fitzgerald, vp, acct super.

Scammell Associates, Boston, Mass.—U.C. imaging systems, medical products div—Henry Scammell, acct exec.

Lewis & Gilman, Philadelphia—agricultural products div (herbicides, plant growth regulators)—Dennis Eilers, acct super.

Anderson, Dunston & Helene, Linden, N.J.—molecular sieve absorbents & catalysts—Mat Pfeifer, acct super.

Manning & Associates, San Diego—materials group, electronics div—D. Manning, acct mgr.

The Downs Group, Charlotte, N.C.—electronics division—Tyler Glenn, acct exec.

U.S. Government

	1979	1978
Sales	none	none
Earnings	none	none
Advertising	$146,121,273	$128,452,200

The advertising needs of the "all volunteer" armed forces helped push estimated total ad spending by the federal government to $146,121,273 in 1979, a 13.7% increase over 1978 and enough to make the government the nation's 28th largest advertiser.

Military recruiters controlled three of every four dollars in last year's governmentwide total. Most other government companies rely on donated public media exposure.

Budgets for recruiting ads, collateral materials and related research increased 10% last year for nine major military accounts to $98,670,200.

The Army, with the biggest of manpower needs, had a rough recruiting year in 1979 despite a 17.4% budget increase to $42,637,000. Faced with continuing problems, Congress doled out an even bigger ad budget for the Army this year, pushing the total to $53,000,000.

The Army Reserve, also staring at manpower shortages, got its own 17% ad budget increase last year, sending it to $11,312,400. A third Army advertising component, the Reserve Officer Training Corps (ROTC), spent $5,109,109 last year.

All three Army campaigns are handled by N W Ayer ABH, New York.

The other military branches—Navy, Air Force and Marine Corps—had to be content last year with budget increases in the 4% range. The Navy received $18,803,000, the Marines $12,774,107 and the Air Force $9,035,000.

▪ The Navy agency is Ted Bates & Co., New York, with Burrell Advertising, Chicago, assigned to minority recruiting. The Marine Corps' agency is J. Walter Thompson Co., Washington, and the Air Force shop is D'Arcy-MacManus & Masius/de Garmo, New York.

The Defense Department had $2,120,000 for market research and other specialized projects in the recruiting area last year.

Each of the military services last year diverted part of its ad budget to fund a $9,700,000 umbrella ad campaign that jointly promoted all of the services in a combined effort. The Defense Department has asked Congress to provide an extra $10,000,000 to fund these joint service ads next year in addition to what it provides for individual service ads. Grey Advertising, New York, was selected this summer to manage the campaign.

The Coast Guard, a military service that operates as part of the Transportation Department, spent $1,000,000 on recruitment advertising last year. The federal government also supported the recruiting efforts of Army and Air National Guard units with a $5,889,000 budget last year, off 9.4% from 1978.

Henry J. Kaufman & Associates, Washington, is the Coast Guard agency W. B. Doner & Co., Baltimore, is the Army/Air National Guard agency.

The military's advertising execs got generally good marks in a major report written last year for the Defense Department by New York advertising and marketing consultant Canter Achenbaum Heekin.

The consultant jolted top Army recruiting execs, however, by suggesting that Army recruiting problems don't stem from lack of advertising muscle, but from "product" deficiencies. It urged Congress to increase pay and benefits sharply to make military service more salable to the high school graduates the Army wants to recruit.

▪ Army advertising and marketing strategists have, in fact, been testing different benefit packages in particular markets. The chief variable is an educational benefits bonus payment offered in test markets. Shorter term enlistments have also been examined.

New Army ads to break this fall reportedly will position the Army as a technologically advanced service, with training opportunities equal to those in its service rivals.

Outside the military, federal dollars help support major paid advertising campaigns at both the U.S. Postal Service and Amtrak, the nation's passenger railway system.

Both Amtrak and the Postal Service are government creations, but they are designed to compete with private companies in the transportation and parcel delivery fields. Both organizations receive millions in federal subsidies voted by Congress.

The Postal Service in recent years has shifted its marketing and advertising efforts from such relatively noncontroversial projects as selling stamps and kits to collectors, to hard-nosed competition in the market for express delivery services. While USPS has a monopoly on the delivery of first class letter mail, its other services are fair game for competitors.

Amtrak's push for more riders has produced periodic complaints from competing intercity bus companies. Amtrak ticket prices recovered only 41.5¢ per dollar of Amtrak costs in 1979, the railroad company said. The remainder is paid for by federal subsidies, but Amtrak says it hopes to recover 50% of its costs from ticket prices by the mid-1980s.

Amtrak said it had revenues of $381,300,000 in 1979, up from $347,100,000 in 1978. About half of its passengers travel the Washington-New York-Boston corridor route.

The Postal Service spent

$9,231,500 in media last year, up $1,000,000 from the year before. USPS purchases advertising for its Express Mail overnight delivery service, its Priority Mail expedited service and for its stamp collecting sales program.

- USPS also distributes public service advertising urging the public to "mail early" at holiday times, use ZIP codes and file forwarding address forms when they move. USPS refused to discuss the advertising support behind its Express Mail service in 1979, but it is estimated to have exceeded $3,000,000.

Amtrak's ad budget reached $11,400,000 in 1979, up from $8,500,000 in 1978. Amtrak said it spent $9,800,000 in media in 1979, but refused to discuss what was spent in individual media. It's estimated that as much as $5,000,000 may have been spent in tv, chiefly in marketing along its East Coast corridor route. About $3,000,000 is estimated to have been placed in newspapers and $1,500,000 in radio.

Young & Rubicam, New York, is the Postal Service agency. Needham, Harper & Steers, New York, is the Amtrak agency.

Congress this year debated what role the government should play in financing "see the USA" tourism advertising in foreign markets. The U.S. Travel Service, a Commerce Department unit, spent about $2,000,000 in foreign markets last year, but its budget has been slashed in presidentially designed economy moves. Token programs in Canada and Mexico are all that remain.

The U.S. travel industry and its numerous allies in Congress support the creation of a new tourism promotion "corporation" outside the government that would take over U.S. Travel Service functions. Any role for federal financial support for advertising would be the subject of studies.

While Congress this summer appeared interested in promoting tourism, it rebuffed proposals for a major $50,000,000 advertising campaign to be run by the Energy Department to encourage conservation by the public.

- The department used both public service ads and paid test campaigns to get its message out last year. "Project Pay Back" used paid ads in several markets to encourage consumers to fit their homes with energy saving insulation and other devices.

A "Low Cost/No Cost" project in New England used ads last fall, together with a mailing to millions of homes, to promote low cost and no cost energy saving steps consumers could take.

The department spent about $1,400,000 on the paid tests last year and $500,000 on public service ads. A paid ad test continues this year with its target homeowners who use heating oil.

Federal dollars last year also helped the Public Broadcasting Service, the noncommercials tv "network," finance tune-in advertising to build audiences for its schedule. The Corp. for Public Broadcasting made $3,000,000 available to PBS for the 1979-80 season—much for use in a co-op ad program with local public tv stations—and also contributed advertising money to National Public Radio this year.

In all, media purchases by the government, which showed little increase from 1977 to 1978, jumped to an estimated $69,472,108 last year from 1978's $58,949,500. Actual media buys are probably several millions of dollars higher. Regional and local recruiting commanders for the military had $15,495,300 at their disposal to purchase media or for other ad related expenses. The services do not have readily available breakouts of how those funds were spent.

Tv spending was up sharply to an estimated $19,436,623 last year, a 36% jump. The Army alone stepped up its tv spending to $5,736,000 from $4,100,000 in 1978. The Navy and Marines, however, slashed tv spending from 1978 levels. Radio spending, at $14,113,573, was up 16.7% in 1979. The Marine Corps nearly doubled its radio investment to $2,067,781.

Magazines, long a favorite among recruiters for lead generating, remained the leading media category for the government at $28,508,410, up 10.6%. The Army invested $8,500,900 in magazines, the largest single magazine advertiser in the government.

Newspapers accounted for $7,192,951 of last year's government media buy, up 10.3%. Outdoor slid to $220,551 from $761,000 in 1978.

Dozens of government ad campaigns meanwhile continue to rely on donated media time and space for exposure. Many of these carry health or safety information. Others try to answer questions about government programs that touch particular population groups such as Social Security registrants.

Traditionally, the Advertising Council, the nonprofit ad industry group, and its volunteer ad agencies create and distribute many of these campaigns. The government pays for production costs, but receives the creative services of the Ad Council agency at no charge.

- Ad Council assignments are awarded without competitive bidding to other ad agencies, but nearly all other government ad assignments—from multi-million-dollar military recruiting campaigns to $100,000 public service projects — are open to any agency interested in bidding.

One exception is that some assignments are set aside exclusively for ad agencies that qualify either as a "small business" or are minority owned.

Public service ad contracts range from the $100,000 level to $600,000 or more for major projects.

Despite open bidding, the major government accounts change agencies only frequently. Incumbent agencies, which know the intricacies of the client's needs, appear to have an edge. In most cases, competitions are held because the contracting system requires them, not because the client is dissatisfied with its current agency and looking for another.

Two competitions are under way this summer: The Postal Service, where Y&R is the incumbent agency and the Army/Air National Guard, where W.B. Doner & Co., is the incumbent.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$7,192,195	$6,483,900
Magazine	28,508,410	25,752,900
Television	19,436,623	14,202,700
Radio	14,113,573	11,749,000
Outdoor	220,551	761,000
Total measured	69,472,108	58,949,500
Unmeasured*	76,649,165	69,502,700
Estimated total	$146,121,273	$128,452,200

*Includes at least $15,495,300 in ad funds spent by regional and local military recruiting commands, much of it in media; $1,996,000 in foreign market ad budgets of the U.S. Travel Service, and amounts for direct mail, preparation, production and distribution of public service print and broadcast ads; preparation and printing of posters, brochures, displays, transit, and outdoor material, unmeasured local (including military installation) publications, plus college, school and other institutional publications.

U.S. ARMY

ADVERTISING PERSONNEL

Regular Army/Army Reserve

William E. Peacock, asst secretary, manpower and reserve affairs

Maj. Gen. M.R. Thurman, commander, U.S. Army Recruiting Command

Col. William S. Graf, adv/sales promo director

Major David Ritterpusch, deputy adv/sales promo director of the Army Reserve

U.S. ARMY ROTC

Brig. Gen. (promotable) Daniel W. French, deputy chief of staff for ROTC, U.S. Army Training and Doctrine Command

Col. Francis W. Marr, chief, adv/media div

U.S. NAVY

ADVERTISING PERSONNEL

Joseph A. Doyle, asst secretary for manpower, reserve affairs and logistics

Rear Adm. Floyd H. Miller, commander, U.S. Navy Recruiting Command

Capt. Charles D. Hawkins, adv director

U.S. MARINE CORPS

ADVERTISING PERSONNEL

Brig. Gen. Donald J. Fulham, director, personnel procurement div

Lt. Col. J.R. Ruffini, chief, recruit branch

U.S. AIR FORCE

ADVERTISING PERSONNEL

Joseph C. Zengerle, asst secretary for manpower, reserve affairs and installations

Brig. Gen. Keith D. McCartney, commander, U.S. Air Force Recruiting Service

Col. Walter D. Miller, director, adv and publicity

U.S. COAST GUARD

ADVERTISING PERSONNEL

Lt. Thomas Schaad, chief, recruiting adv branch

JOINT SERVICE ADVERTISING

ADVERTISING PERSONNEL

Capt. Charles D. Hawkins, chairman, Joint Advertising Directorate of Recruiting (JADOR)

DEFENSE DEPARTMENT

ADVERTISING PERSONNEL

Robert Pirie, asst secretary for manpower, reserve affairs and logistics

A.J. Martin, director of accession (recruiting) policy

ADVERTISING AGENCIES

N W Ayer ABH, New York—Army, Army Reserve, Army ROTC—Nelson vanSant, mgmt super.

Uniworld Group, New York—Army minority recruiting—Melvin Fallis, mgmt super.

Lockhart & Pettus, New York—Army minority recruiting—Keith Lockhart, mgmt rep.

Castor Spanish International, New York—Army minority recruiting—Castor A. Fernandez, mgmt rep.

Ted Bates & Co., New York—Navy—John Costello, acct director.

Burrell Advertising, Chicago—Navy minority recruiting—Julius Jones, acct super.

D'Arcy-MacManus & Masius/de Garmo, New York—Air Force—Fred Harvey, mgmt super.

J. Walter Thompson Co., Washington,—Marine Corps—John Wood, mgmt super.

W.B. Doner & Co., Baltimore—Army/Air National Guard—Albert G. Salter, mgmt rep.

Henry J. Kaufman & Associates, Washington—Coast Guard—Irv Sloan, acct super.

Grey Advertising, New York—joint service advertising—John Marder, mgmt rep.

U.S. POSTAL SERVICE

MARKETING PERSONNEL

Gordon Morrison, asst postmaster general/customer services

John Wargo, director of commercial marketing

Gary Stevens, mgr, adv branch

ADVERTISING AGENCY

Young & Rubicam, New York—Fred Baxter, mgmt super.

AMTRAK

MARKETING PERSONNEL

William S. Norman, vp-mktg

Joseph S. Falsetti, senior director, adv and sales promo

Joan Wheatley, mgr of sales promo

Timothy Cronin, adv mgr

ADVERTISING AGENCY

Needham, Harper & Steers, New York—Hugh Gibney, mgmt rep.

ENERGY DEPARTMENT

MARKETING PERSONNEL

Les Daly, special asst to the secretary for public affairs

Joseph L. Barrow Jr., director, office of commercialization, conservation and solar energy div

ADVERTISING AGENCIES

Vanguard Advertising, Minneapolis—Thomas H. Tipton, acct mgr.

J. Walter Thompson Co., Washington/Advertising Council, Washington—Douglas M. Bibby, acct super.

U.S. TRAVEL SERVICE

MARKETING PERSONNEL

Albert Kogelman, director, program support

ADVERTISING AGENCIES

Baker Lovick Ltd., Toronto.

Perez Y Associados S.C., Mexico City.

PUBLIC BROADCASTING SERVICE

MARKETING PERSONNEL

Neil B. Mahrer, senior vp-mktg & admin

Dan Agan, director, adv & video promotion

ADVERTISING AGENCY

Goldberg/Marchesano & Associates, Washington.

NATIONAL PUBLIC RADIO

MARKETING PERSONNEL

Linda Brown Devellier, director of promotion & public affairs

ADVERTISING AGENCY

Staley, Fox Inc., New York—Donald M. Staley, mgmt rep.

Volkswagen of America

	1979	1978
Sales†	$17,150,000,000	$14,110,000,000
Earnings†	372,300,000	303,000,000
Advertising*	55,000,000	57,000,000

*** U.S. only; AA estimated**

† Worldwide

Volkswagen of America (a subsidiary of Volkswagenwerk AG of Wolfsburg, West Germany), Warren, Mich., the 75th largest national advertiser, decreased its advertising 3½% to $55,000,000 in 1979.

VWoA last year saw sales increase to 292,512 units, compared with 239,300 vehicles in 1978. The line last year included foreign and domestically produced Rabbits, as well as imported Dashers, Sciroccos and VW buses. Its 1980 line has been bolstered by the new Rabbit convertible (January); pickup truck (February); Vanagon luxury bus (March), and Jetta sedan (May).

Last April, parent company chairman Toni Schmucker said the company would open a second U.S. assembly plant (Sterling Heights, Mich.) as a key element in Volkswagenwerk's global strategy.

With a second plant in the U.S., cars produced in West Germany could be redirected to Western Europe where VW seeks to increase its market share to 15% from 13% by early 1982.

With Rabbits multiplying rapidly at its New Scranton, Pa., assembly plant in 1979, VWoA moved into the black with net income of $10,000,000 on sales of $2.74 billion, according to parent company data.

And while General Motors, Ford and Chrysler are experiencing some of the worst sales numbers in years, VWoA was increasing its production schedule last month. Its July output was 19,250 Rabbits, an increase of 71.3% over the 11,237 built in July, 1979.

- For the first five months of 1980, sales of domestically produced Rabbits rose to 80,114, compared with 70,397 for the same period in 1979. As a group, foreign-assembled VW autos (including Rabbits) had unit sales of 36,119 for the first five months of 1980, a sharp drop from the 73,763 units sold in the year earlier period.

■ Porsche-Audi division's sales for the first five months of 1980 were 18,021 units for Audi (compared with 18,111 for the same period in '79) and 4,678 vehicles for Porsche (down from 5,917). In 1979, Porsche sales declined, dropping to 13,819 from 17,017 in 1978. Audi sales for '79 were up 4.5% to 42,709 from 40,878 in 1978.

VWoA's 1980 Rabbit, Dasher and Scirocco models were introduced in the fall of 1979 with a series of commercials continuing the "Volkswagen does it again" theme with revised graphics.

■ Created by Doyle Dane Bernbach, the new campaign continued to emphasize product innovation, performance, advanced engineering and good gas mileage. Tv and print ads took the viewer from "New York to Washington. D.C., on one tank of gas. And back" to the "Speedy Rabbit-patrolled part of North Carolina" to Paris "for the car that's more than a car in the way that a souffle is more than just eggs" and to "the other side of the cattle baron's ranch on one tank of diesel."

Ads for the new Rabbit convertible asked readers to guess what it was; the pickup truck was introduced as a vehicle that "looks like a truck, but drives like something else. Jetta ads asked, "What do you think it is? Think again" while Vanagon ads by James Neal Harvey Inc. asked, "What do you get when you cross the best of a van with the best of a station wagon?"

In 1979, Rabbit measured media spending was $24,302,000, according to Leading National Advertisers. That figure included $15,522,700 in network tv; $2,900,000 in spot tv, and $5,700,000 in magazines. Other models' support: Dasher, $2,850,000; Scirocco, $1,900,000, and VW bus $1,380,000.

In an attempt to out-maneuver Mercedes-Benz and BMW, its chief competitors in the luxury car market, Porsche-Audi introduced three new models earlier this year—the 5000 Turbo, Audi 4000 five-cylinder automatic and five-cylinder five-speed models.

■ The top-of-the-line 5000 Turbo is receiving the heaviest support ever given a new model by the division. The schedule includes consumer magazines, newspaper ads in the top 25 markets, and network and spot tv. Print ads feature Porsche-Audi engineers detailing the engineering and luxury styling of the car.

The division this year also reintroduced the $38,000 Porsche 928 with a technical educational campaign tagged "Porsche-Audi: Nothing even comes close."

Magazine ads for the 928 have been running in very upscale, male-oriented publications, with a heavy emphasis on special interest magazines. In addition, a number of West Coast magazines—the largest market for Porsche—are being used.

Ad spending for Audi passenger cars in 1979 totaled $6,588,200 in magazines, outdoor and network and spot tv. Porsche line support totaled $5,763,000 in the same media.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$2,303,500	$2,139,700
Magazines	13,275,300	16,511,200
Spot tv	9,380,700	9,976,600
Network tv	20,496,600	18,769,700
Spot radio	58,000	620,800
Outdoor	328,000	451,200
Total measured	45,842,109	48,469,209
Unmeasured	9,157,900	8,530,800
Estimated total	55,000,000	57,000,000

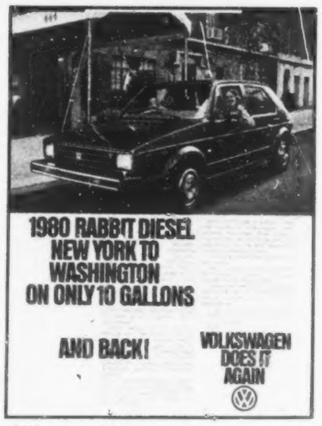
MARKETING PERSONNEL

Richard Mugg, vp-sales and mktg
Raymond Ketchledge, director-corporate mktg services
John Slaven, mgr, VW mktg
Gary Fisher, VW adv mgr
Warren Brechtel, VW regional ad mgr
Fritz Mueller, technical mktg mgr
George Pizzo, VW adv super
James Fuller, vp-P&A div
Charles Hughes, mgr-P&A mktg
Marvin Gruber, mgr-P&A adv
Rene Immel, P&A adv mgr
James Immel, P&A regional adv mgr

ADVERTISING AGENCIES

Doyle Dane Bernbach, New York—Robert Rees, senior vp-group mgmt super; Robert Dunn, senior vp-mgmt super, VW; Al Steiner, vp-acct super, VW; Robert Burden, senior vp-mgmt super, P&A; Sal Triano, acct super, P&A; Ron Blaquiere, vp-mgmt super, VW and P&A; Paul Bernstein, account exec, VW, and Sandy Gross, regional acct exec, P&A.

James Neal Harvey Inc., New York—VW Vanagon (creative only)—Scott Weeker, senior vp; Jim Duffy, acct super, Joan Puleo, acct exec.



Although Volkswagen decreased its ad spending in 1979, sales were up, helped by multiplying Rabbits, also in convertible form.

Warner Communications

	1979	1978
Sales	$1,648,027,000	$1,309,419,000
Earnings	200,747,000	81,882,000
Advertising	57,600,000	47,585,300*

* Restated

Warner Communications, New York, the 72nd largest national advertiser, increased its advertising an estimated 21% to $57,600,000 in 1979. Much of that increase was due to extensive advertising for two new releases—"In-Laws" and "Main Event"—and continued support for two others, "Superman" and "Every Which Way But Loose."

Revenues rose 26% to a record $1.6 billion, while net income skyrocketed 45% to $200,747,000. However, the huge jump was partially attributable to the sale of 50% of Warner's cable tv operations to American Express for an after-tax gain of $91,689,000.

Record revenues from the company's key operating groups—recorded music/music publishing, filmed entertainment, publishing—plus a turnaround in the toys and electronic games division, contributed significantly to profit gains.

As in recent years, recorded music/music publishing was the company's largest division, registering record revenues of $725,000,000, a jump of 18%, which was primarily the result of continued growth in international sales. Substantial revenues were garnered from such successful albums as Fleetwood Mac's "Tusk" and Led Zeppelin's "In Through The Out Door."

However, operating income fell 12% to $81,700,000, the division's first decline in earnings since 1973.

■ Management of three WEA labels and of WEA, the leading domestic distributor of prerecorded tapes and records, made substantial cutbacks in overhead, personnel and consolidated functions in the face of falling profit margins.

The major domestic WEA labels—Warner Bros. Records, Elektra/Asylum and Atlantic Records—spent more than $2,352,000 combined in measured media last year, a total which does not encompass p.o.p., a medium heavily used by record companies. Atlantic and Elektra/Asylum spent the bulk of their measured sums in magazines, whereas Warner Bros. Records relied mainly on spot tv.

■ Warner, whose filmed entertainment division recorded the best year in its history, boosted total revenues 55% to a record $610,000,000, while operating income rose 47% to $117,600,000, another new high. Each segment in the division—Warner Bros., Warner Bros. TV, Lincensing Corp. of America and Panavision—enjoyed record revenues. WCI Home Video was formed in 1979 as the company's entry in the home video market.

Film revenues were robust due to such box office smashes as "Superman," "Every Which Way But Loose," "10," and "Main Event." This year's film releases expected to achieve success include "The Shining," off to a slow summer start, "Honeysuckle Rose," "Caddyshack" and "Oh God, Oh God."

■ Measured media spending for Warner Bros. films last year was $18,600,000, with most of the money going to network television. The company spent $3,500,000 for the "In-Laws," $1,500,000 for "Superman," $2,700,000 for "10" and $2,500,000 for "Time After Time."

Warner Bros. Television had a record year with revenues up 33% to $176,000,000—with revenues from the tv licensing of feature films representing $62,700,000 alone. Warner produced three of the top 10 rated series last season—"The Dukes of Hazzard," "Alice" and its "Flo" spinoff.

Revenues from licensing theatrical films to U.S. tv networks—*e.g.*, "Oh God"—also climbed, with profits expected to rise substantially in 1980. Pay tv revenues more than doubled 1978 totals.

The David Wolper/Stan Margulies unit will produce a major prime time miniseries called "Hanta Yo," scheduled for 1981 airing at ABC. That unit's "Roots" and its sequel continue to score in syndication.

The publishing division posted peak revenues of $74,900,000, up 36%, while profit jumped to $18,000,000 last year. These results include royalties of approximately $6,000,000 received by DC Comics from the worldwide distribution of the film "Superman." The sequel is due by Christmas, with "Superman III" already in the works.

These record figures derived from continued growth at the division's four interrelated companies—Warner Books, DC Comics, "Mad Magazine" and Independent News Co., now called Warner Publisher Services.

■ Earlier this year, all distribution of *Us* magazine moved into the hands of Warner Publisher Services which also began distributing a significant portion of the New York Times Co.'s *Family Circle* and a full line of Ballantine Books.

Warner Books inaugurated a hardcover line in mid-1980 that will include 20 titles a year at the outset. Warner Books spent $217,000 in measured advertising last year, down from $356,400 in 1978.

Warner Cable Corp. (WCC) boosted revenues 23% to $81,300,000, a new high, while operating income jumped 63% to $12,200,000, due in part to reductions in development expenses for Warner Amex Cable Communication's interactive Qube system in Columbus, O. WCC became a joint venture in late 1979 as the result of the sale of a 50% interest of WCC to American Express Co. for $175,000,000 in cash and notes.

Since 1979, Warner Amex has increased the number of homes in its franchise area by more than 700,000, a 50% gain over 1978's year-end figure of 1,300,000. New franchises were acquired in Houston, Cincinnati and Pittsburgh, all of which will eventually feature Qube services.

Qube is now testing the impact of new products and commercials with the Federated department store chain. Viewers are shown various items of merchandise in a commercial and are questioned about whether they are interested in purchasing the products. Viewers can purchase merchandise or services via the two-way Qube console.

■ In an attempt to increase Qube subscriptions, Warner heavily promoted its Columbus showing of the June, 1980, Sugar Ray Leonard-Roberto Duran title fight. A Warner exec said 7,000 of the 30,000 Qube subscribers bought the fight for $10.

Warner Amex Satellite Entertainment Corp., the new satellite network programing subsidiary, was founded in 1979 to distribute material produced by itself and others to catv systems across the country via satellite. This unit also aggressively started to market The Movie Channel, a premium pay channel, to cable operators other than Warner Amex.

The toys and electronic games division saw revenues rise 34% to $238,000,000, as operating profits bounced back from 1977 and 1978 deficits to register a margin of $6,300,000. Last year's operating profit was reached after deducting sizable purchase price amortization.

The success of the division was due primarily to consumer demand for Atari's electronic videogames and related software. Given the excellent sell-through of both Atari's and Knickerbocker Toy Co.'s products at Christmas 1979, further significant earnings gains are anticipated by the company for 1980.

Atari introduced 12 Video Computer System (VCS) cartridges, including backgammon, Video Chess, football and bowling. The divisions's biggest 1979 sellers were Atari football, Lunar Lander, and basketball. About 10 additional cartridges will be unveiled in 1980, bringing the division's total to 42. Television advertising outside the traditional Christmas season will be used by Atari for the first time this year.

■ Atari's consumer division marketed Touch Me, its first hand-held electronic game, and recently introduced hand-held versions of Space Invaders and Breakout. Shipments were started on two personal computers—Atari 400 and Atari 800.

Revenues rose 42% for Atari's coin-operated videogames in 1979, principally due to the introduction of Asteroids. However, Atari's pinball unit was shut down because of the high cost of manufacturing pinballs.

During 1979, Atari spent about $4,400,000 in measured advertising, a gain of about $400,000 from 1978. Most of the money went to network tv.

Warner singled out Atari for lifting its operating income to record levels in the second quarter of 1980, when recorded music operations increased slightly in sales as income dropped. For the first half, Warner said, net income jumped 19% to $60,599,000 as revenues grew by nearly $94,000,000 to $876,945,000, both new highs for the first half.

Knickerbocker Toy Co. posted domestic revenues well ahead of 1978, but foreign revenues were down sharply. The Snoopy line

was a major success at retail for Knickerbocker, which spent $2,700,000 in measured media for all its toys and dolls last year.

Malibu Grand Prix, which builds and operates minitracks where scale model Formula racing cars are driven, opened nine tracks in 1979, bringing the total to 30. Tracks in Cincinnati, Columbus and Dayton, O., and in Mt. Laurel, a Philadelphia suburb, represent Malibu's first entries in the Northeast.

Warner's other operations consist of the Cosmos soccer club and Warner/Lauren Ltd.

■ Although it failed to win an unprecedented third consecutive North American Soccer League title, Cosmos season ticket sales exceeded 20,000 in 1979, ten times greater than 1977 sales. Average attendance per game was more than 45,000.

The Warner/Lauren division, which reported that retail sales doubled to $28,000,000 last year, is not expected to show profits before 1981. Two fragrance lines were introduced in 1979—Chaps for men and Tuxedo for women. Warner spent $931,000 in measured advertising for Chaps, mostly in spot tv.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$536,200	$581,[illegible]
Magazines	2,107,800	2,781,1[illegible]
Spot tv	12,996,400	8,822,700
Network tv	14,884,100	15,817,800
Spot radio	977,600	278,800
Network radio	150,100	54,900
Outdoor	444,200	248,100
Total measured	32,096,400	28,585,300*
Unmeasured	25,503,600	19,000,000
Estimated total	57,600,000	47,585,300*

WARNER BROS.

MARKETING PERSONNEL

Sandy Reisenbach, vp, worldwide adv & publicity
Rick Kallet, director, co-op adv
Joe Hyams, vp, pr
Ernie Grossman, natl director, adv & pr

WARNER BROS. TELEVISION

MARKETING PERSONNEL

Ed Bleier, exec vp, East Coast
David Horowitz, vp, adv & promotions

ATLANTIC RECORDS

MARKETING PERSONNEL

David Glew, exec vp-genl mgr
Mark Schulman, vp-adv
Marsha Green, media director

ADVERTISING AGENCY

East/West Advertising, New York—in-house.

ELECTRA/ASYLUM-NONESUCH RECORDS

Los Angeles

MARKETING PERSONNEL

Jerry Sharell, vp-creative services
Randy Edwards, director, merch & adv
David Cline, director, adv

ADVERTISING AGENCY

William S. Advertising, in-house.

WARNER BROS. MUSIC PUBLISHING

MARKETING PERSONNEL

Herman Steiger, vp
Steve Spooner, director, sales, adv & media

LICENSING CORP. OF AMERICA

MARKETING PERSONNEL

Robert Bell, exec vp & chief operating officer
Murray Altchuler, vp-mktg
Arnold Lewis, senior vp-sales

PANAVISION

Tarzana, Cal.

MARKETING PERSONNEL

Robert Gottschalk, chairman & president
Frank Vogelsang, vp

WARNER PUBLISHER SERVICES

MARKETING PERSONNEL

Laurence J. Kirshbaum, president

MAD MAGAZINE

MARKETING PERSONNEL

William Gaines, president

WARNER BOOKS

MARKETING PERSONNEL

Howard Kaminsky, president
Dorothy Crouch, vp-genl mgr

ADVERTISING AGENCY

Publishers Advertising Associations (Inhouse)—Mark Greenberg, president.

ATARI INC.

MARKETING PERSONNEL

Sales

Michael Moon, president, consumer div

William Grubb, vp-sales & mktg for electronic entertainment
Peter Rosenthal, mktg dir-personal computers
Conrad Jutson, vp-sales, personal computers

Advertising

Shirlene Foydl, mgr of mktg services
Ginny Juhnke, mktg super & pr coordinator

ADVERTISING AGENCY

Doyle Dane Bernbach, Los Angeles—Rick Jarc, vp-acct super; Gary Fountain, Andy Leonard, acct execs.

MALIBU GRAND PRIX

MARKETING PERSONNEL

Sales

Bob Rockerfeller, director of mktg

Advertising

Dave Bursteen, director of MGP Advertising in-house agency
Bobby Pacheco, media director

WARNER BROS. RECORDS

MARKETING PERSONNEL

Sales

Ed Rosenblatt, senior vp-director of sales promo
Lou Dennis, vp-sales
Stan Cornyn, exec vp-creative director

Advertising

Shelley Cooper, director of adv
Russ Thyrot, vp-director of promo
Tom Draper, vp-black music mktg
Andrew Wickham, vp-director of country music mktg

WEA CORP

MARKETING PERSONNEL

Robert Moering, director of mktg services
Vic Fanaci, exec vp
Skid Weiss, director of publicity
Alan Perper, adv dir
Barbara Burns, natl mgr of adv

WEA INTERNATIONAL

MARKETING PERSONNEL

Phil Rose, exec vp

WARNER AMEX CABLE COMMUNICATIONS

MARKETING PERSONNEL

Leo Murray, vp-public affairs

WARNER AMEX SATELLITE ENTERTAINMENT CORP.

MARKETING PERSONNEL

John Lack, exec vp-mktg & programing
Robert McGroarty, vp-mktg

COSMOS SOCCER CLUB

MARKETING PERSONNEL

Robert Rolontz, vp-communications
Tom Werblin, adv mgr
Dom Flora, director of mktg & merch
Steve Piccone, director of mktg

DC COMICS

MARKETING PERSONNEL

Sol Harrison, president

KNICKERBOCKER TOY CO

MARKETING PERSONNEL

Stanley Harfenist, vp-sales & mktg

ADVERTISING AGENCY

Rosenfeld, Sirowitz & Lawson, New York.

Warner-Lambert Co.

	1979	1978
Sales	$3,217,208,000	$2,878,496,000
Earnings	123,346,000	207,947,000
Advertising*	220,242,500	211,000,000

*AA estimated

Warner-Lambert, Morris Plains, N.J., the eighth largest national advertiser, increased its domestic advertising 4.4% to an estimated $220,242,500 in 1979.

Worldwide sales rose 12% to a record $3,217,208,000, but earnings dropped to $123,346,000, a 41% decrease from 1978. Reasons for the decline cited by the company included the settlement of Parke-Davis' long-standing tax dispute and other nonrecurring charge-offs, including the phase out of an obsolete pharmaceutical plant and an outmoded polarized lens plant, resulting in a net charge to pre-tax earnings of $101,700,000.

The 10% increase in sales from domestic operations in 1979 was due largely to the inclusion of a full year of sales of Entenmann's, a baking concern acquired by W-L late in 1978.

For the first six months of 1980, W-L's worldwide sales rose 9% to $1.7 billion, while earnings dropped 1.69% to $116,000,000. W-L chairman Ward S. Hagan noted, "All major lines of business, with the exception of optical products, contributed to sales growth in the first half and second quarter. A slowdown in domestic consumer sales was offset by strong consumer growth outside the U.S. International sales of pharmaceuticals also showed good improvement."

All industry segments of the business contributed to the worldwide sales increase in 1979. Sales of the health care products segment represented 54% of 1979 worldwide sales and were up 6%, with both ethical products (33% of worldwide sales) and nonprescription product sales (21% of worldwide sales) contributing to the increase. Gums and other specialty foods, including Entenmann's, represented 25% of worldwide sales for the year. Optical products and instrument sales (13% of worldwide sales) were up 5% over 1978.

■ In the ethical products health care segment, which includes Parke-Davis pharmaceuticals, diagnostic products, capsules and various hospital products, sales were $105,000,000, compared with $920,000,000 in 1978. Changes within the segment included the consolidation of the U.S. pharmaceutical sales forces and product lines into a new Parke-Davis division, the streamlining of the domestic Parke-Davis product line through the elimination of more than 200 items with low sales volume and profit margins, and the 1980 phased opening of a $35,000,000 sterile products manufacturing plant at Rochester, Mich.

Warner-Lambert's line of nonprescription health care products reported sales of $688,000,000 in 1979, compared with $662,000,000 in 1978. Listerine antiseptic held onto its leading position within the $300,000,000 mouthwash market, maintaining a 35% share against the 21% share of its leading competitor, Procter & Gamble's Scope. According to Leading National Advertisers, mixed media spending was $8,810,500 for Listerine in 1979. The brand continued to use its "you can bet your breath on it" theme via J. Walter Thompson Co.

A cinnamon-flavor Listermint was introduced in the U.S. in the first quarter of 1980. Test sales added "several percentage points to W-L's total share of mouthwash sales," the company said. Aimed at a younger audience, the cinnamon entry's tv commercials convey a zest for life and note that the brand has zest. In 1979, regular mint-flavored, reformulated Listermint struggled to hold on to third place, ahead of Lever Bros.' Signal. A consumer challenge—to compare Listermint with any other mouthwash—offered two 50¢ coupons for one proof of purchase, or a 50¢ refund for proof. Measured mixed media spending for the brand in 1979 was $6,758,800.

■ The $10,000,000 of corrective advertising run in compliance with a Federal Trade Commission order to clear previous claims of Listerine's cold benefits ended early in 1980.

Backed by more than $5,000,000 in measured media, Efferdent tablets maintained its position as market leader with close to a 50% share in the denture cleanser category. Efferdent denture cleanser paste was introduced in the second quarter of 1979, and will be promoted through 1980 with large-scale distribution of cents-off coupons through Efferdent tablet packages.

The company's largest vitamin brand, Myadec, was reformulated and repositioned in 1980. Both Hall's cough drops (with $3,250,000 in measured media backing) and Rolaids antacids (with an ad budget of nearly $9,000,000, according to LNA) remained leaders in their respective markets. Hall's worldwide sales increased 13%. A new wintergreen flavor was added to the Rolaids line in late 1979.

During the year, sales and marketing responsibilities for the e.p.t. in-home pregnancy test, Sinutab sinus preparations and Lubriderm skin lotion were transferred from the health care group to the consumer products group, where they are expected to receive "substantially more support" to expand sales. Sinutab sinus tablets received $3,421,400 in mixed media spending, according to LNA.

In January, 1979, the National Advertising Board cleared the way for in-home pregnancy test kits, and W-L responded by backing e.p.t. with $5,000,000 in magazine and tv advertising. E.p.t. exceeded sales goals and leads the field with a 60% market share, followed by J. B. Williams' Acu-test (17%-plus) and American Home Products' Predictor (15%-plus).

■ Tv and print media will be tested in 1980 to promote sales of Lubriderm, a skin care lotion, and distribution of the product will be expanded beyond drug stores and pharmacies to include food and mass merchandisers.

Worldwide sales of gums and other specialty food were $814,000,000 in 1979 compared with $604,000,000 in 1978. In response to what the company termed "slack domestic demand" in the second half of 1979, W-L plans to step up advertising and promotion expenditures in 1980 for gums and mints.

Warner-Lambert's Trident, pioneer and long-time leader in the sugarless gum segment, has fallen behind Life Savers' Care*Free brand. For the August-September period of 1979, Care*Free held a 49% share to Trident's 42.1%. Just two years earlier, Trident was at 46% and Care*Free at 36.9%. Trident sugarless gum, according to LNA, received more than $6,000,000 in mixed media advertising support in 1979.

In the soft bubble gum market, Bubblicious performed well, capturing about a 5% slice of the total gum market, and is second in bubble gum sales only to Bubble Yum, which has fallen from about a 13% share a year ago to 9%. Bubblicious advertising, totaling $2,795,500 in mixed media for the year, positions the gum as "the Ultimate Bubble."

In the innovative bubble candy area, Crack-Ups will be expanded into regional market sales in 1980. Chewels, a liquid center sugarless gum launched on the West Coast in 1978, reached the East Coast in the first quarter of 1980, and will be nationwide by the end of the first half, the company said. J. Walter Thompson Co. handles the brand which received $1,539,900 in spot tv support.

■ Trident hard candy went into test market in the Midwest with some spot tv done by Ted Bates & Co. It is positioned against the major competition, Life Savers' Sweet Nothings.

Among the segment's more heavily advertised products were Freshen-Up gum ($3,568,000), Dentyne gum ($3,821,200) and Certs mints ($9,045,500), according to LNA figures.

The Entenmann's specialty baked products business completed its first full year of operation as a W-L company, exceeding $217,000,000 in sales, compared with $168,000,000 in the full year of 1978. A rapid launch in the Chicago area was aided by a small newspaper and outdoor ad budget, via J. Walter Thompson Co. The company plans to expand distribution and broaden Entenmann's product lines for 1980.

Wrigley's new liquid center gum, Overtime, bowed in commercials in spring, 1980.

Sales in the worldwide optical products and instruments segment were $421,000,000 in 1979, a $20,000,000 increase since 1978. Management of three divisions, the domestic eyeglass, soft contact lens and safety products operations, was combined at the end of the year into a single vision care and safety products division.

American Optical increased unit sales of soft contact lenses, spending $1,627,800 in mixed media, and maintained its favorable market position, despite aggressive price-cutting activity by the market leader, Bausch & Lomb.

■ In the other products segment, consisting primarily of razors and blades, sunglasses and pet care items, sales improved but operating profits dropped from $26,000,000 in 1978 to $18,000,000 in 1979, due in part to a write off of an obsolete polarized lens manufacturing plant and related inventories as part of net nonrecurring items in the Cool Ray sunglasses division.

Schick's new Ultrex twin-blade shaving system, introduced in an attempt to nick Gillette's 60% share of the razor and blade market, received $6,893,500 in measured ad support. The Ultrex cartridge, sold with a pivot-head razor handle, was launched in nine additional countries in 1979.

Schick capitalized further on its one-push cleaning technology in the first quarter of 1980 by test marketing a disposable razor in Seattle, Wash., with the same cleaning feature. The new entry is priced at two for 69¢.

The Personal Touch twin-blade razor, backed by $1,224,300 in measured mixed media advertising, strengthened its No. 1 position among women's razors during the year, the company said.

Warner-Lambert had $840,000,000 in sales for the first quarter of 1980, an increase of 10% from 1979 and a record high for any quarter in the company's history. Earnings in the first quarter were $61,000,000, an increase of 6% over the previous year.

ADVERTISING EXPENDITURES

	1979	1978
Newspapers	$1,763,500	$984,600
Magazines	5,353,600	4,540,100
Spot tv	19,821,200	28,133,200
Network tv	63,692,900	55,772,000
Spot radio	476,500	547,800
Network radio	4,284,800	2,678,900
Outdoor	50,000	88,000
Total measured	95,442,500	92,744,600
Unmeasured	124,800,000	118,255,400
Estimated total	220,242,500	211,000,000

WARNER-LAMBERT CO.

Corporate Officers

Ward S. Hagan, chairman
Joseph D. Williams, president
Frank Markoe Jr., vice-chairman for corporate affairs
George Hromadko, vice-chairman for financial affairs

CONSUMER PRODUCTS DIVISION

MARKETING PERSONNEL

Melvin R. Goodes, president
Benjamin J. Sottile, vp-mktg
Thomas S. Muller, vp-product mgmt
Bert Page, vp-sales
William P. Broas, vp-specialty sales

ADVERTISING AGENCIES

Ted Bates & Co., New York—Adams gum, Bubblicious, Dynamints, Efferdent, Effergrip, Efferdent paste, Halls cough tablets, Rolaids, Trident gum, Trident mints, Trident candy—Larry S. Epting, exec vp; Mike Townsend, senior vp-mgmt rep; John Stranger, vp, acct super; Vic Bloede, vp, acct super.

J. Walter Thompson Co., New York—Chewels gum, e.p.t., Lubriderm, Listerine, Listermint, Listermint cinnamon, Listerex, Sinutab—Jack Morrissey, senior vp-group acct director; Jeanne Maraz, vp-mgmt super; Bea Lothrop, vp-acct super; George Berry, vp-acct super.

William Esty Co., New York—Clorets, Chicklets, Good N'Plenty, Good N' Fruity, Freshen-Up gum, Rothchilds candies, Spring gum, Schick Injector Shaving System, Personal Touch Ladies' Shaving System, Ultrex Shaving System, Schick Super II Shaving System, Ultrex Disposable Shaving System—Robert Ballerini, senior vp-mgmt super; Donald Byer, vp-acct super.

Young & Rubicam, New York—Dentyne, Certs, Crack-Ups, Cool-Ray sunglasses—William Thompson, senior vp-group director; Mike Feldman, vp-mgmt.super.

ENTENMANN's DIVISION

MARKETING PERSONNEL

Robert Entenmann, chairman
David W. Johnson, exec vp-genl mgr
Patrick S. Amello, vp-sales
William Grove, director-mktg

ADVERTISING AGENCY

J. Walter Thompson Co., New York—Jack Morrissey, group acct director; Adele Finaly, acct super.

PARKE-DAVIS DIVISION

MARKETING PERSONNEL

H. L. Richardson Jr., president
C. J. Cowles, vp-mktg
L. B. Brown, vp, sales
E. J. Gorzalski, director-mktg services
D. S. Pearson, director-new product planning
R. L. Willey, director-mktg rsch

ADVERTISING AGENCIES

Sudler & Hennessey, New York—Paul Trunk, senior vp; Donald Masterson, acct super; John Rinaldi, William Butler, acct execs.

Young & Rubicam, New York—Bill Thompson, senior vp-group director; Mike Feldman, mgmt super; Walter Bernd, acct exec.

Sieber & McIntyre, Chicago—Stephen Parello, acct super; John Aherne, acct exec.

J. Walter Thompson Co., New York—Anusol—Jack Morrisey, group acct director; George Berry, acct super.

DIAGNOSTICS DIVISION

MARKETING PERSONNEL

George W. Masters, president
Richard Walsh, vp-mktg
Charles R. Crampton, director-sales
C. A. Holzmacher, director-mktg services
James P. Berutich, director-product mgmt
Robert D. Grissom, vp-genl mgr, Nuclear Med Labs
Edward A. Whitehill, director-mktg, Nuclear Med Labs

ADVERTISING AGENCY

Medical Education Dynamics, Woodbridge, N.J.—Jerry Brager, acct exec.

HOSPITAL PRODUCTS DIVISION

MARKETING PERSONNEL

Paul Creager, president
John C. Sifers, vp-genl mgr, Medical-Surgical
Tom Snowden, vp-general mgr, Orthopedic

ADVERTISING AGENCY

Tom Ferguson Associates, Parsippany, N.J.—Deseret operating room products, Med-Surg prods—Tom Ferguson, president.

LACTONA CORP.

MARKETING PERSONNEL

Anthony Montemurro, genl mgr
C. W. Farnham Jr., mgr, intl sales

ADVERTISING AGENCY

Lambert & Feasley, Morris Plains, N.J.—professional dental prods—V. F. Foullois, media director.

AMERICAN OPTICAL CORP.

Gene E. Lewis, president
Richard E. Schmidt, exec vp

MARKETING PERSONNEL

Vision Care and Safety Products Division

James G. Nichols, vp-mktg & sales
R. G. Wright, director sales, vision care
D. E. Tenney, director sales & mktg, safety products

Scientific Instruments Division

Richard E. Schmidt, genl mgr
Thomas A. Bologna, director-product devel
Andrew J. Liberty, mgr-adv & mktg services

Soft Contact Lens Division

Hank Green, vp-genl mgr
R. G. Wright, director-mktg
Joel Berinstein, product mgr

ADVERTISING AGENCIES

Sudler & Hennessy, New York—soft contact lenses (professional, trade)—Peter Chutasles, senior vp-mgmt super.

Young & Rubicam, New York—soft contact lens (consumer)—R. Morks, acct exec.

Perspectives Inc., Sturbridge, Mass.—lenses and instruments—Bruce Wynne, acct exec.

Provandie & Chirurg, Boston—optical products—John Nazzaro, president.

Potter Hazelhurst Inc., Cranston, R.I.—safety products—Tom Chadwick, acct exec.

Harris D. McKinney, Philadelphia—scientific instruments—Ted Arnold, acct exec.

WARNER-LAMBERT CANADA ADAMS BRAND LTD.

MARKETING PROFILES

MARKETING PERSONNEL

J. C. Carroll, president
R. W. MacDonald, mktg mgr
B. M. Wynn, E. R. Pattillo, S. Ellmer, group product mgrs
F. E. Finlayson, vp-sales

ADVERTISING AGENCIES

Ted Bates, Toronto—Certs, Dentyne, Rolaids, Trident gum and mints, Adam's fruit gum, Beeman's, Hall's Mentho-Lyptus, Blue Diamond almonds—W. J. Whitehead, acct director.

J. Walter Thompson Co., Toronto—Chiclets, Clorets, Freshen-Up—Norm Rigg, acct director.

PRODUCTS DIVISION

MARKETING PERSONNEL

J. B. Pope, mktg mgr
L. J. O'Keefem, director of sales
A. R. Soler, R. W. Aeyres, group product mgrs

ADVERTISING AGENCIES

J. Walter Thompson Co., Toronto—Listerine prods, Listermint—Norman Riss, acct director.

Ted Bates, Toronto—Schick Wet Shave product line, Efferdent—D. Smith, acct director.

PARKE-DAVIS CANADA INC.

MARKETING PERSONNEL

D. M. Seath, director-professional prods
M. K. Skripitsky, director-mktg
G. M. Hetherington, director-product mgmt
D. Lindley, group product mgr
G. G. Gibson, director-sales

ADVERTISING AGENCIES

J. Walter Thompson Co., Toronto—over-the-counter products—Norman Rigg, acct director.

Crombie Advertising Ltd., Toronto—prescription products—D. Headley, acct director.

Wm. Wrigley Jr. Co.

	1979	1978
Sales	$505,399,000	$445,639,000
Earnings	36,448,000	31,828,000
Advertising*	48,452,400	37,771,852**

*AA Estimate

Wm. Wrigley Jr. Co., the nation's 81st largest advertiser, spent an estimated $48,452,400 on advertising in 1979, up 28% from 1978. Sales in 1979 increased 13.4% from 1978, up to $505,399,000. Earnings were up 14.5% to $36,448,000 in 1979 from $31,828,000 in 1978.

▪ The company attributes improved net sales revenues to increases in both domestic and overseas markets. An anemic U.S. dollar also contributed to the increased worldwide sales revenues with the higher exchange rates used in converting foreign currencies into U.S. dollars. The three long-established Wrigley brands—Spearmint, Doublemint and Juicy Fruit—account for the majority of the company's sales volume worldwide.

One product that had a significant influence on increased sales was Hubba Bubba, Wrigley's entry into the U.S. soft chunk bubble gum market, introduced in May, 1979. The response to Hubba Bubba, with its novel "amazing no-stick bubbles" was exceptional and demand soon outstripped supply, causing a temporary halt of shipments in two sales districts and the importing of the product for two other sales districts. Although sales of Hubba Bubba were remarkable, the new chew actually had a negative effect on earnings due to the high cost of marketing support required to introduce Hubba Bubba into the highly competitive market. Its share is put at 10%.

▪ Wrigley's major competitors are Warner-Lambert Co.'s American Chicle division and Squibb Corp.'s Beech-Nut-Life Savers division, manufacturer of Care*Free sugarless gum and Bubble Yum. Of the approximately 20 chewing gum marketers in the U.S., published outside sources estimate that Wrigley has some 39% of the total gum market, with American Chicle second with 32% and Squibb's Life Savers division third with 22%.

Overtime, a liquid center gum, was recently introduced in selected southern states. This product flung the gauntlet at Chicles' Freshen-up, claiming to have more liquid center than the leader of the over $100,000,000 liquid center market segment.

▪ Wrigley's 1979 ad strategy included injecting sparkle into old ads, a shift of media emphasis and two new ad campaigns. Wrigley's Spearmint commercial was renovated with a new campaign featuring a hang glider soaring over unending vistas while the announcer describes the gum's flavor as going a long, long way. Big Red, introduced in 1976 to compete with Warner-Lambert's Dentyne, veered away from the western aura of big, bold taste to long-lasting breath freshness. ("No little cinnamon gum can freshen your breath longer than Big Red.")

The Doublemint brand continues its successful "single most favorite double campaign; Hubba Bubba's gumfight series retains its popularity, and Juicy Fruit's flavor lover's theme is being changed to "fascinating flavor."

▪ Advertising behind Wrigley products is primarily in tv and radio with over 90% of budget in these areas, but there has been a decided shift from spot tv to network. Spot tv ad support for 1979 is down some 20% (AA estimate includes company discount) while ad support in network tv jumped from $6,578,000 in 1978 to $24,802,400 in 1979, a 360% leap. Company sources attribute this ad support shift to improved visibility and effectivenss with target audiences.

Measured media support for Wrigley's Freedent brand, introduced in 1975, totaled $6,804,500 in 1979, according to published figures, up from $5,941,800 in 1978. Network radio ad spending was cut completely, network tv increased and spot tv decreased for the Freedent brand. Total ad spending for other Wrigley gums, including Doublemint, Spearmint and Juicy Fruit, was up 88%, according to Leading National Advertisers figures, to $31,959,000 in 1979, with increases in spot tv, network tv and radio.

▪ Orbit gum, Wrigley's first sugar free gum, was introduced in the U.S. in 1977. Sales were initially hurt when preliminary research suggested that Orbit's sweetener, xylitol, might cause cancer in laboratory animals. Despite later claims that the substance was safe, and with no further FDA investigations pending, Wrigley substituted traditional sweeteners mannitol and sorbitol. Even with the switch, total ad support for Orbit is way down from 1978. Total spending has gone from $12,851,900 in 1978 to $1,952,700 in 1979. This decline includes the ad spending for the Orbit sweepstakes, a promotional effort introduced to ease the transition from the xylitol formula to the xylitol-free formula.

Wrigley's Orbit bubble gum, introduced in July, 1978, had ad support of $188,000 in spot tv only in 1979, which was substantialy decreased from 1978 expenditure of $904,200.

Amurol Products Co., a wholly-owned Wrigley subsidiary, marketer of sugar free gums and bubble gums, sugar free candies and dietetic cookies, had a good 1979 riding the crest of the wave of Mork bubble gum sales. Mork bubble gum, five pieces of soft bubble gum packaged in a plastic egg, named after the endearing goof of the top-rated tv show "Mork & Mindy," had sales that reached over $5,000,000 in 10 months, without direct media support.

▪ Other Amurol products making a significant contribution to 1979 sales were: Zeno 15-Pack, the first high quality, low-price bubble gum; MVP Sports bubble gum and MVP Sports mints; Blammo 25¢ banana punch, and a few All Natural extension products for the health food industry, introduced under the "Amurol Natural" logo. MVP was supported in national magazines only. Blammo had ad support in magazines, with slight, $4,500 in spot tv, according to LNA figures.

Amurol's new products for 1980 include Chu-Bops—packaged as collectable miniature record albums, with disc-shaped gum, complete with grooves; Gush Balls—a candy-shell container with a sweet liquid center; Finger Frosting—frosting contained in small plastic bowls, and Big League Chew—shredded bubble gum in a stay-fresh pouch. Except for royalties paid to record companies and artists for Chu-Bops and Jim Bouton (major league baseball pitcher) for Big League Chew, none of the above products will receive direct media support.

▪ Company shareholders approved a two-for-one stock split of the present 4,000,000 common shares at the annual meeting as well as an increase in authorized common shares to 12,000,000 from 8,000,000. Stockholders approved issuance of 2,000,000 new shares of preferred stock which corporate sources said would be used for corporate purposes.

ADVERTISING EXPENDITURES

Newspapers	$451,300*	$327,700
Magazines	418,400	42,600
Spot tv	18,770,500**	23,347,152
Network tv	24,802,400	6,578,000
Spot radio	1,899,100	3,974,000
Network radio	1,462,700	2,902,400
Total measured	47,804,400	37,171,852
Unmeasured	648,000	600,000
Estimated total	48,452,400	37,771,852

*** Media Records reports a 1979 expenditure of $902,600, but the actual figure is believed to be about $451,300. ** Leading National Advertisers shows $26,070,200 as the 1979 expenditure, but the actual figure is thought to be about $18,770,500.**

MARKETING PERSONNEL

Sales

William Wrigley, president, ceo
Ronald O. Cox, vp-mktg
R. Darrell Ewers, group vp-intl
G. Bebee, mktg director
C. Warchol, mktg director
N. Hoegh-Guldberg, mktg director

Sales Managers

A. Cipollina, genl sales mgr
R.P. Thurlow, genl sales mgr
J.C. Barger, southern district
H.W. Colson, east central district
H.J. Conklin, eastern district
H.F. Constant, midwestern district
J.E. Decker, western north district
H.W. Gray, southwestern district
E.L. Kimzey, mid-Atlantic district
L.R. Klein, west central district
J.M. Kroyer, north central district

ADVERTISING

R.O. Cox, vp-mktg
H.J. Berchert, graphics & design director

ADVERTISING AGENCIES

Arthur Meyerhoff Associates, Chicago—Doublemint, Big Red, Juicy Fruit, Overtime, Freedent and Orbit. Eric Harkna, exec vp; Andrew Donchak, Walt Waschick, acct supers.

Needham, Harper & Steers, Chicago—Hubba Bubba, Spearmint, Amurol Products. Jim Fasules, mgmt rep; Gene Yovetich, acct super; Karen Wagenknecht, genl acct director; Rae Hood, Steve Kane, acct execs.

Leading companies lay out $11.7 billion in ad spending

(Continued from Page 1)

that tallied earnings increases in 1978. The leaders' faith in advertising seemed to be shaken somewhat—84 increased their advertising investments, down from 87 last year. Twelve reduced their spending, and four kept it about the same.

▪ Procter & Gamble, the Cincinnati-based marketing giant, increased its advertising by 11% in 1979, down in percentage points from the 20% increase chalked up the year before.

Leading its list of most heavily supported products was again Folger's with measured support of $33,000,000, followed by Crest with $26,000,000, Pampers with $21,500,000 and Tide with $18,000,000. New products introduced by P&G included Luv's disposable diapers and Rely tampons.

General Foods placed its largest dollar support behind Kool Aid, the market leader in the powdered beverage arena, to the tune of $21,000,000. Country Time lemonade mix was backed by $11,000,000. Jell-O got $12,596,400 and Cool Whip received $10,094,700. Maxwell House coffee, which trails P&G's Folger's, received $34,479,200.

Philip Morris traded places with K mart to move into fifth place with total spending of $291,201,500.

New to the top ten were R.J. Reynolds, which was spurred by a 41% increase in ad spending that moved it from 12th to seventh place, and American Telephone & Telegraph Co., which moved into ninth position from No. 13. Warner-Lambert dropped one place, from seventh to eighth.

The U.S. Government fell three places to No. 28 with spending of $140,121,273, a 14% increase.

Newcomers to the 100 leaders list in 1978, in addition to Mazda, were Transamerica Corp., a conglomerate made up of such companies as United Artists and Budget Rent A Car, which shot to 49th place with measured and unmeasured spending of $95,048,300; Levi Strauss & Co., which had an ad outlay of $38,563,200 to secure the 92nd rung; Milton Bradley Co., the toy maker, which spent $31,328,000, and International Business Machines Corp. with expenditures of $31,073,800.

Dropped from the list of 1979 leaders were Alberto-Culver Co., Avon, Carnation, Exxon and Kimberly-Clark Corp.

▪ Advertising figures listed for each of the 100 leaders include "measured media" expenditures published by various statistical bureaus and associations.

These include Leading National Advertisers, the Publishers Information Bureau, Radio Advertising Bureau, Radio Expenditures Reports, Agricultural Marketing Information Service (Agricom), LNA-Broadcast Advertisers Reports, Media Records, Institute of Outdoor Advertising and the Outdoor Advertising Assn. of America.

In the eight media so measured, the 100 leaders dominate, accounting for just over half (53.7%) of all the advertising dollars invested there *(see charts on Pages 88 and 89)*.

In addition to the measured media figures, "unmeasured media" expenditures are added to get a grand total for each of the 100 companies. These unmeasured expenditures include point of purchase, direct mail, premiums and other forms of national advertising and sales promotion. All estimated expenditures are estimates by ADVERTISING AGE.

Measured media figures generally include gross space and time costs only, while production and talent costs are included in unmeasured expenditures. Exceptions are the network tv figures, which include net time and talent.

ADVERTISING AGE would like to make it clear that the selection of the "100 leading national advertisers" was based on measured media expenditures only. Final ranking, however, is based on the combined total of measured and unmeasured spending.

If other criteria were used, other advertisers not now on the list would need to be included. Among such advertisers would be those who spend many millions annually in local advertising, which is not measured, and who spend relatively little in national advertising. Such companies include many of the large retailers.

On Nov. 3, ADVERTISING AGE will take a look at some of these local advertisers, with profiles of the advertising expenditures and financial operations of 50 leading retailers—the top 25 general merchandisers and the top 25 supermarkets. #

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